

# THE CREDIT MONTHLY

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## Gradual Improvement in Business Expected

Conditions and Prospects Survey in Ten Basic Trades

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**B**USINESS is improving, according to a survey based on the expressed opinions of hundreds of delegates from all parts of the United States, attending the twenty-sixth annual convention of the National Association of Credit Men, in June, at San Francisco. The survey is as follows:

### BUSINESS HAS IMPROVED.

Collections and sales for May were better than collections and sales for the preceding months, and further improvement is expected in the fall. Though liquidation in all lines is not yet completed, the National Association of Credit Men looks forward to a steady readjustment of industry to new conditions.

### COLLECTIONS AND SALES.

The majority of industries reported collections worse as compared with last year. The majority of industries, however, reported collections for May of this year better than collections for preceding months.

The answers to the question of the failure of sales tell a similar story. The majority of industries show a decrease in both dollars and units this year as compared with last year. The majority, however, show an increase of sales for May as compared with preceding months this year.

### REVIVAL OF BUSINESS.

The consensus of opinion among the industries represented was that the revival of business activity had not yet reached their lines. Almost all of the lines, however, are looking forward to improved conditions. Business is expected to pick up with the harvesting of crops and with the further liquidation of those economic factors that are not yet fully adjusted to new conditions. Although improved business is generally expected in the fall, many lines do not look for good business until 1922.

### FACTORS RETARDING BUSINESS.

Among the factors retarding business activity mentioned by the representatives of the various industries are the following:

- a. Lack of confidence in prices and the resultant waiting for lower prices.
- b. Failure of many labor groups to recognize the necessity of liquidation.
- c. Failure of some retailers to adjust prices to meet new conditions.
- d. Unemployment.
- e. The retarded movement of agricultural products.
- f. Demoralization of foreign exchange and credits.
- g. High freight rates.
- h. Uncertainty as to taxation.
- i. Inability of consuming public to buy.
- j. Stagnation of railroad buying.

The two factors emphasized most are the lack of confidence in prices

and the lack of confidence in future economic conditions in general.

Each group conference answered the same set of questions on business conditions and business prospects, prepared by the Research Department of the National Association of Credit Men. These questions were as follows:

1. Are collections in our line better or worse, or stationary, as compared with last year and with preceding months this year?
2. Is the volume of sales in our line as measured by dollars increasing or decreasing as compared with last year and with preceding months this year?
- 2b. Is the volume of sales as measured by units increasing or decreasing as compared with last year and with preceding months this year?
3. Has the revival of business activity reached our line? If not, when do we expect it?
4. What is the most serious factor retarding business activity in our lines?

### REPORTS IN DETAIL.

The conclusions on the above points, as reported to the convention, represented heart to heart conferences by the members of each trade group, as follows:

### Dry Goods, Notions and Allied Lines

Chairman, W. A. Yeomans, Spokane Dry Goods Co., Spokane

1. (Of these reports, 75 per cent. came from east of the Mississippi.) On the first question, 15 per cent. reported collections better; 75 per cent. worse, and 10 per cent. stationary, as compared with last year. As compared with preceding months this year, 3 per cent. reported collections better; 50 per cent. worse, and 20 per cent. stationary.

2. Sales as measured by dollars: As compared with last year, decreasing; as compared with previous months this year, increasing.

On the second part of this question, in the matter of units: increasing as compared with last year and increasing as compared with preceding months of this year.

3. We are not prepared to say that a revival of trade has reached our line, but such change as there has been in the last few months has been for the better, and the spirit is decidedly better.

4. There were a number of answers to this question, but we have boiled them down into three answers: (a) Failure of retailers and labor to recognize properly and to the fullest measure the necessity of liquidation; (b) instability of prices; (c) present foreign trade situation.

### Drugs, Chemicals and Allied Lines

Chairman, A. F. Stepan, Western Wholesale Drug Co., Los Angeles

1. The consensus of opinion was that collections are worse than, or at best only equal to last year. On the second part of the question, collections are improving over the preceding month of this year, although only slightly.

2. Opinions varied, but the consensus was that the volume of sales is less than last year but that it shows some improvement over the preceding months of this year.

2b. The volume of sales by units is approximately equal to that of last year and shows some increase this year.

3. Opinions varied from *Fall* in some sections where good crops are expected, to *early next year* in the lumber, manufacturing and mining sections.

4. The most serious factor retarding business activity was expressed very well by one of our members when he said, "Lack of orders." This lack of orders, we decided, was due to the inability of the consuming public to buy, caused by reduction in wages and curtailment of working forces.

### Paper, Paper Supplies and Allied Lines

Chairman, T. K. Cree, Alling & Cory Co., Pittsburgh

Regarding collections as compared with last year: Better, 20 per cent.; stationary, 30 per cent.; worse, 50 per cent. Compared with last month: Better, 33 $\frac{1}{2}$  per cent.; worse, 16-2-3 per cent.; stationary, 50 per cent.

2a. Volume of sales measured by dollars as compared with last year: Increase, 20 per cent.; decrease, 80 per cent. As compared with last month: increase, 33 per cent.; decrease, 50 per cent.; stationary, 17 per cent.

2b. Sales by units, 100 per cent. decrease.

3. Has revival of business activity reached us: 10 per cent. reported yes; 90 per cent. voted no. When revival may be expected by the 90 per cent.: Those who expect revival in three months were 8 per cent.; in six months, 50 per cent.; in nine months, 12 per cent.; one year or more, 30 per cent.

4. Three factors retarding business activity were given—unemployment, instability of prices, and export conditions. Four per cent. laid the retarding to unemployment, 96 per cent. to instability of prices.

### Manufacturing and Wholesale Jewelry

Chairman, Geo. J. Gruen, Gruen Watchmakers Guide, Cincinnati

1. Collections in the jewelry line are not up to standard and are somewhat below normal, but the month of May has shown a decided improvement over previous months this year.

2. Jewelry sales both in dollars and cents, and in units, have decreased over conditions existing formerly. They are not up to the volume of 1920 but there is some improvement noticed since May, 1921.

3. It was unanimously decided that the revival has not reached our line, but that from general conditions it is expected that the fall of 1921 will show a decided improvement from every standpoint, with an increased volume of business and better conditions generally.

4. Excess stocks of high priced merchandise in the hands of retailers is the factor retarding business activity, particularly as these high priced goods are not moving as readily and as rapidly as heretofore. Moreover, general conditions in the country, such as labor troubles, un-

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settled tax problems and the tightening of the money market, have had a deterring effect upon business.

### Manufacturing and Wholesale Boots and Shoes and Allied Lines

Chairman, P. E. Parrott, Battreall Shoe Co., St. Joseph

1. As to collections, 50 per cent. of the members reported collections worse and the rest stationary, with the exception of two, who reported conditions better. As compared with the preceding month of this year, 65 per cent. report collections better, the rest as stationary.

2. Regarding volume of sales as measured in dollars and compared with last year, all members report decreasing, but in comparison with last month, 63 per cent. report increasing and the rest decreasing.

2b. Regarding volume of sales as measured in units and compared with last year, the members were divided equally; half reported decreasing, the other half increasing. In comparison with the preceding month of this year, 64 per cent. of the members reported increasing. The remaining 26 per cent. were equally divided as to stationary and decreasing.

3. As to whether the revival of business has reached our line, 58 per cent. of the members reported Yes; the rest reported that they expect the revival to reach us within the next 60 or 90 days, with the exception of two members who believe that it will take us into next year before any improvement may be expected.

4. As to the most serious factors retarding business activity in our line: Virtually all members feel the trouble is that the retailer still believes a further drop in the market may be expected. It is this uncertainty of prices that causes the retailer to hesitate in placing orders of any consequence. In addition to this may be mentioned the unemployment of labor, and no assurance of demand for certain crops; but we may safely say that owing to lack of confidence in the present market no larger demands for merchandise can be expected until the price situation has been stabilized.

### Manufacturing and Wholesale Clothing and Allied Lines

H. W. Louis, Brownstein-Louis Co., Los Angeles

1. This group includes shirts, collars, khaki specialties, sport wear and dresses. Collections as compared with last year, worse. As compared with preceding months this year, better.

2. Volume of sales as measured by dollars as compared with last year, increasing; as compared with preceding months this year, stationary.

2b. Volume of sales as measured by units as compared with last year, increasing; with preceding months this year, increasing.

3. As to whether the business revival has reached us, no definite conclusion was reached but the outlook is favorable and an improvement of a decided character is expected for the fall season of 1921 and the spring season of 1922.

4. There was a great diversity of opinion as to what is the most serious factor retarding business activity in our lines. The following causes were advanced: uncertainty regarding prices; retarded movement of agricultural products; the universal tendency of buyers to delay placing orders; the demoralization of foreign exchange and credit; and a general fear as to future social, political and international conditions. The conclusion on this question might be summed up as lack of confidence in the future.

Reporting from a geographical standpoint, the Pacific Coast district appeared to be showing increased collections and sales measured both by dollars and units, followed closely by the district between the Mississippi River and the Rocky Mountains. The Middle West showed some improvement. The decline was principally confined to the South and Southwest.

Women's Wear reported largely increased sales.

With prices of raw material stabilized and an injection of courage, confidence and co-operation into the hearts of purchasers, manufacturers and distributors, business prospects will experience not only a revival but a reincarnation.

#### Furniture and Allied Lines

E. K. Scherer, Evansville Metal Bed Co.,  
Evansville

1. (The business of the furniture manufacturers of the eastern and central states, in the early part of the year 1920, was reduced 50 to 60 per cent. by strikes, and in the latter part of the year by the general depression in business. The heavy decline in lumber played an important part in reducing profits.) Collections compared with last year: Fifteen per cent. reported better; 70 per cent. reported worse; 15 per cent. reported stationary. As compared with preceding months this year: Twenty-three per cent. reported better; 69 per cent. reported worse; 8 per cent. reported stationary.

TRADE GROUP.	COLLECTIONS.				SALES IN DOLLARS.				SALES IN UNITS.				HAS REVIVAL OF BUSINESS ACTIVITY REACHED YOUR LINE?		WHAT IS THE MOST SERIOUS FACTOR RETARDING BUSINESS ACTIVITY IN YOUR LINE?  Not arranged in order of importance.		
	As compared with last year.		As compared with preceding mos. of this yr.		As compared with last year.		As compared with preceding mos. of this yr.		As compared with last year.		As compared with preceding mos. of this yr.		Yes.	No.		When do you expect it?	
	Better.	Worse.	Same.	Better.	Worse.	Same.	Increasing.	Decreasing.	Same.	Increasing.	Decreasing.	Same.					
TRADE GROUP.  Percentage = % of number reporting. X = majority opinion.	15%	75%	10%	30%	50%	20%	..	..	..	..	..	..	..	X	See report.	1. Failure of retailers and labor to liquidate, 2. Instability of prices, 3. Foreign trade situation.	
	20%	X	..	X	..	..	..	..	..	X	..	..	..	X	See report.	1. Lack of credit, 2. Instability of public to buy, 2. Reduction in wages, 3. Unemployment.	
	30%	50%	30%	33%	17%	50%	33%	50%	33%	20%	80%	..	..	90%	See report.	1. Unemployment, 2. Instability of prices, 3. Export conditions.	
	X	X	..	X	..	..	X	..	..	X	..	..	..	X	See report.	1. Excess of high priced stocks in retailers' hands, 2. Taxation, 3. General economic conditions.	
	9%	50%	41%	65%	..	35%	..	..	..	50%	50%	..	..	42%	See report.	1. Instability of prices, 2. Unemployment, 3. Crop situation.	
	..	X	..	X	..	..	..	..	..	X	..	..	..	..	See report.	1. Uncertainty of prices, 2. Retarded movement of agricultural products, 3. Foreign trade situation.	
	15%	70%	15%	23%	60%	8%	..	..	..	100%	100%	..	..	100%	See report.	1. High freight rates, 2. Failure of retailers to come down, 3. Unemployment, 4. Inability of planters to sell products.	
	..	X	..	X	..	..	..	..	..	..	..	..	..	X	See report.	1. High freight rates, 2. Taxation, 3. Labor, 4. Failure of retailers to default, 5. Foreign trade situation.	
	22%	40%	38%	..	..	..	..	..	..	..	..	..	..	50%	50%	See report.	1. Instability of prices, 2. Failure to market farm products, 3. Unemployment.
	..	..	..	..	..	..	..	..	..	..	..	..	..	X	See report.	1. Failure to market farm products, 2. Inability of people to buy.	

Trade Conditions and Trade Prospects as seen by Credit Men, June 17, 1921.

#### CONDITIONS AND PROSPECTS IN TEN BASIC TRADES AS REPORTED TO CONVENTION OF NATIONAL ASSOCIATION OF CREDIT MEN



2. Value of sales in dollars: 100 per cent. reported decrease. Value of sales in units: 100 per cent. reported decrease.

3. Revival of business activity: None reported in the affirmative. When expected: 8 per cent. reported last part of 1921; 92 per cent. reported during 1922.

4. Serious factors retarding business activity believed to be: High freight rates; unemployment; failure of retailers to reduce prices in accordance with general trend; inability of planters to sell their products; high freight rates.

#### Groceries, Provisions, Confectionery and Allied Lines

Chairman, J. T. Young, Idaho Wholesale Grocery Company, Pocatello, Idaho

1. Generally speaking, collections are much slower than last year.

2. Volume of sales as measured by dollars has shown a considerable decrease, but there is now an increase over preceding months of this year.

3. There is no revival of business to speak of at present, and in agricultural sections none is expected until the present crops are harvested and sold. In the industrial centers there will be no revival until labor is back to normal.

4. The most serious factors retarding business are transportation, taxes, labor, lack of export orders, failure of retailers to deflate prices, and lack of confidence by the public in the price of commodities.

#### Paints and Varnish

Chairman, C. D. Potter, Devoe & Reynolds Co., New York

1. Are collections better, worse or stationary in our line? Answer: Better, 10; worse, 18; stationary, 17; total replies, 45.

2. Is the volume of sales as measured by units increasing or decreasing as compared with last year and with preceding months this year? Answer: Increasing, 21; decreasing, 15; stationary, 9; total replies, 45.

3. Regarding a revival of business activity: 20 answered yes; 25, no; total, 45. When expected: Fall of 1921, 9; Spring of 1922, 4; when building commences, 5; in six months, 1; after harvest, 1; total, 20.

4. Factors retarding business activity: Large inventory, stagnation, pessimism, poor collections, 3; credit conditions in the South, 1; failure to market farm products, 4; buyers' strike, 3; unemployed labor, 3; high cost of doing business, 3; customers' returning goods due to decline, 1; local conditions, 1; financial and foreign relations, 1; waiting for lower prices, 10.

(The result was most encouraging and to the mind of your chairman, forecasts increasing business and prosperity in the paint and varnish industry.)

#### Wholesale Hardware, Auto Accessories, Electrical Supplies, Plumbers' Supplies and Allied Lines

Chairman, William Levensaler, Dunham, Carrigan & Hayden Co., San Francisco

1. A rising vote was taken as to whether business in general had been better during May than the preceding months of this year, and the opinion seems to be among the large majority that business had been better during May than during preceding months of this year. Comparing business this year with corresponding months of last year, the vote was entirely negative. Business has not been reasonably close to the aggregate of last year's business in the corresponding months in volume of items, and that the volume of prices was much lower.

2. Comparing May of this year and May of last year, it was unanimously decided that business was decreasing.

2b. From a rising vote it was noted that the meeting was practically unanimous in the opinion that there had been a decrease in volume of sales by units.

3. A member from Philadelphia remarked that in Philadelphia and New York and in the contiguous territory they were looking for a revival in October and from then on to the end of this year. A member from Chicago remarked that conditions were practically the same there and that the trade in general was looking for a revival to some extent at least, this fall.

4. A member from Salt Lake City stated that it was, in his opinion, the lack of banking accommodations in that particular section of the country that was retarding business. A member from Iowa remarked that until the market should fall it was useless in his section of the country to look for a revival; people would not buy at the present prices, and there had been so much talk of a buyers' strike that there really was one.

A member from Alabama remarked on the South having a supply of cotton on hand, but no market for it; therefore business was gravely affected by this lack of a market. He said that it might be called a buyers' strike but in his opinion the buyer did not have the money to buy.

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### "A Broad and Understanding Attitude"

By Warren G. Harding

*A message from the President of the United States, Honorable Warren G. Harding, to the Twenty-Sixth annual convention of the National Association of Credit Men.*

THE place of the credit men in the organization of national business is just now a more difficult and responsible one than it has been in some time past. The most onerous burdens are imposed upon the credit men which call for the exercise of the widest discussion and the most thoughtful consideration of many unusual factors. There are indeed few groups of men who are qualified to render a more valuable service at this time.

I know that we are all agreed that our country and its business are fundamentally perfectly sound. I bespeak in behalf of the business community a continuance of that broad and understanding attitude which the credit men have always assumed towards the requirements of business.

### Commerce Department Will Cooperate

By Herbert Hoover

*A message from Honorable Herbert Hoover, Sec'y of Commerce, to the Twenty-Sixth annual convention of the National Association of Credit Men.*

THE members of your Association play a conspicuous part in the conduct of commercial affairs, foreign and domestic, and at a time when your good judgment was never more deeply needed than at the present.

Please express to your association the desire of this department to cooperate in your activities in every helpful way.

### Wishes for Successful Meeting

By John W. Weeks

*A message from Honorable John W. Weeks, Secretary of War, to the Twenty-Sixth annual convention of the National Association of Credit Men.*

I WISH it were practicable for me to join you and your fellow credit men at the twenty-sixth annual meeting in San Francisco. In fact, I never needed credit more than I do at present, and I am sure I should find in your Association something besides a broken reed upon which to lean.

Distance will prevent me from joining you, but I wish your Association the happiest and most successful meeting in its career.





W. B. CROSS, NEWLY ELECTED PRESIDENT,  
*National Association of Credit Men*

**A**FTER serving as Second Vice-President and as First Vice-President, W. B. Cross of Duluth was elected President of the National Association of Credit Men at the Twenty-sixth Annual Convention of the Association at San Francisco in June of this year. Mr. Cross is treasurer of F. A. Patrick Co., Duluth, one of the largest manufacturing and jobbing houses in the clothing line of the Northwest. He has long been looked upon as an authority on matters of credit and has been active in both local and national credit organizations. In accepting the presidency for the ensuing year, Mr. Cross expressed not only his appreciation of the honor but his realization of the heavy responsibilities that the office carries with it. His record of personal sacrifice of time and energy in the service of the National Association of Credit Men is in itself a guarantee that there will be no diminution in the activities of the Association during his incumbency as president. The members of the Association could have chosen no man more worthy of the presidency.

# An Important Object for the Year

## First Vice-President Writes on Credit Interchange and Adjustment

By John E. Norvell

Norvell-Chambers Shoe Co., Huntington, W. Va.

**I**N business I have always been a strong advocate of cleaning up one project before tackling another whenever it is possible to do so. I do not believe in starting a great many propositions and having them drag along eternally unfinished.

The program of the National Association of Credit Men is comprehensive. We have a number of important projects in hand, some of which are rounded out and although capable of development are not in the finished state. There is one exceedingly important part of the work of the Association, however, which in my belief should receive during the Association year which has just begun the hearty attention of the officers and directors, and of members of the entire national organization. I refer to the work of the Credit Interchange Bureaus and especially to the Central Credit Interchange Bureau now located at St. Louis.

Many of the older Interchange Bureaus are and have been giving splendid local clearance to their members, and now that we have a comprehensive plan for the operation of the Central Bureau, we have reason to hope and believe that our inter-market service should prove entirely satisfactory, after the formative period. Our members should be cautioned, however, to exercise patience and forbearance until the new system, which in itself is a gigantic undertaking, has had an opportunity to function properly.

Although Interchange Bureaus and Adjustment Bureaus are, as a rule, operated as separate units, their interests are so closely allied and interlocked that they are susceptible of being merged and operated as one organization under separate departments. Experience having shown that the Adjustment Bureau automatically as a rule follows the organ-



JOHN E. NORVELL

1st Vice-Pres., National Association of Credit Men. Elected at 26th Annual Convention, San Francisco

*Mr. Norvell organized, seventeen years ago, the Charleston and later the Huntington associations. He developed the Tri-State Credit and Adjustment Bureau, including Kentucky, West Virginia and Ohio, which now has four times its original membership. He has served four years as Director and Officer of the National Association.*

ization and operation of the Interchange Bureau.

### INDIVIDUAL MEMBER'S RESPONSIBILITY

The bureau member should appreciate the fact that where the human element is involved errors are likely to creep in and inaccuracies occur. In such cases you should not hesitate to advise the manager, for constructive criticism is always invited and welcomed. The member should bear in mind that it is his bureau, and that he is personally interested in its success. By patience, co-operation and constructive thought each member can become a strong factor in the up-building of

this splendid department of our activities. We should keep ever before us the fact that the interest of the embarrassed debtor must at all times be watched over and conserved by the bureau manager, not only because this is right and proper, but also because it is necessary to exhibit a human interest in his affairs which will begot confidence and yield substantial returns for the future.

If every member of each bureau visualized the future possibilities for dependable, accurate, uncolored and up-to-date ledger information through the Interchange Bureau (backed up by the Adjustment Bureau with its facilities for economically and promptly handling embarrassed or insolvent estates), and if each member put the same amount of determination and co-operation behind it as he does in his own personal business, the benefits derived would multiply enormously. We would then have in our hands two of the most potent factors in reducing the bad debt waste.

### PRINCIPLE OF CREDIT INTERCHANGE

The credit interchange principle I believe is one of the firm rocks upon which our great Association is built. We have made in the past years almost unbelievable progress in this line. There were many who prophesied that any such organization as we now have would be impossible of accomplishment. It was said that the American business man was not unselfish enough and not broad enough to appreciate the benefits of an open and free exchange of ledger experiences. It was said that although theoretically the principle was correct, in practice it never could work out. The prophesies of the early days have been disproved. We now have a splendid membership of the leading credit men in all important lines, organized in all the most

important industrial centers of the country. We have also Credit Interchange Bureaus functioning in sixty-three cities. We have at the Central Credit Interchange office a carefully thought out plan for handling the mass of credit information which flows constantly in and out of the files.

We have had during the past year a Committee on Credit Interchange consisting of such experienced men as Lawrence Whitty, Schoenbrun & Co., Chicago, Ill.; P. B. Bethel, Falls City Clothing Co., Louisville, Ky.; R. J. Bartlette, Mgr., Credit Interchange Bureau, New Orleans, La.; S. A. Commons, Buhl Malleable Co.,

Detroit, Mich.; R. T. Graham, Pittsburgh Dry Goods Co., Pittsburgh, Pa.; George B. Cole, R. H. Lane & Co., Toledo, Ohio; J. J. McClellan, Gillette Safety Razor Co., Boston, Mass.; S. M. Anderson, Hammond Steel Co., Inc., Solvay, N. Y.; Clyde Gribble, Carmichael Candy Co., Clarksburg, W. Va.; G. W. Wallace, Betterton-Wallace Shoe Co., Chattanooga, Tenn.; M. E. Garrison, Sec., Wichita Assn., Wichita, Kan.; H. E. Hoody, R. M. Hollingshead Co., Atlanta, Ga.; A. O. Spelberg, Sioux City Crockery Co., Sioux City, Iowa; A. J. Bishop, H. A. Tuckett, Salt Lake City, Utah, and E. C. Gayman, Sperry Flour Co., San Francisco,

Cal. The Committee for this year will also be made up of experienced and zealous members of the Association. These credit men and the bureau manager, E. B. Morgan, are entitled to our thanks for their unremitting labors and their achievement.

Although there is no main belief or purpose of the Association which has not my strongest adherence, I urge every member to do his share in developing the credit interchange work during the next twelve months. If this is done the result will be the perfection of our great credit interchange organization which alone justifies the existence of the National Association of Credit Men Itself.

# Optimism in New England

Report from an Apostle of Co-operation

By E. P. Tuttle

Atlas Shoe Co., Boston

Newly Elected 2nd V.-P., National Association of Credit Men

THOSE of us who have been connected with the wholesale shoe trade of New England during the past thirty years or more have seen the business from small beginnings steadily expand and enlarge its scope until today there are some thirty-five wholesale shoe houses in New England whose total annual business will approximate thirty-five to forty million dollars.

This is virtually all domestic, although some business is done in Canada, Mexico and Cuba; the total, however, is a small percentage. Although there is a very large export business ("New England made" shoes going to all parts of the world), this is almost entirely in the hands of the manufacturers.

There have been noticeable changes in business methods and policies, and perhaps more than all else, in business standards, which are undeniably on a much higher moral plane today. In former years there was a good deal of jealousy and suspicion one towards the other, unfair practices were common, and business friendship was almost unknown. There were few, if any, trade organizations, and practically no co-operation.

Thirty years ago each house planned to keep all transactions away from a competitor. There was no interchange of experiences. In case of something unfavorable developing with a retail dealer, the one first

learning of it (providing he were financially interested) immediately got busy to secure preference and protection on the account at the expense of the rest of the creditors.

The writer remembers the effort made to organize the Boston Boot and Shoe Club in 1888. It was a hard struggle to convince the concerns then in business that it was a good thing to "get together." Each one was skeptical of his competitors' motives. But when they finally gathered around the table and looked each other in the face, each came to a realization that the other fellow had been misunderstood. As they came to know each other better there gradually grew up a cordial good will, which manifested itself later on in the organizing of the New England Shoe Wholesalers' Association, which banded them into an organization that has brought those in this line of business in New England into close fellowships. At the monthly meetings problems are freely discussed, methods and policies unitedly agreed upon, and confidences exchanged; and there is a genuine co-ordination of interests for mutual benefit.

"LIVE AND HELP LIVE"

The leaven of these business organizations produced an era of "Live and Let Live"; but we have progressed much beyond this, and now the policy of the New England shoe wholesalers is "Live and Help Live." The wholesaler now takes a

vital interest in the welfare of his customer, advises him freely, instructs his salesmen to sell him only what it is good for him to buy, and counsels him to look through the market and get himself posted, knowing that the interests of wholesaler and retailer are closely interwoven and that the prosperity of one is dependent upon the prosperity of the other. These business men today work upon the basis that not only is honesty the best policy, but it is the only safe policy—the policy of playing fair and square with the man you sell.

As further evidences of the co-operative spirit; the New England shoe wholesalers freely exchange credit experiences one with another; ledger pages are open to competitors, and, with competition in business keener than ever before, the shoe wholesalers of New England are working together in a way that would have been deemed impossible in a former period.

When a retail shoe dealer finds himself embarrassed his creditors come together to consider not only what it is best for them to do, but what is best for the retailer himself. They work on the principle that an established business is an asset to a community, and wherever possible it should be preserved. They hold out a friendly hand to the debtor (providing he is worthy of it) and help him to get back on to his feet, and teaching him to become a better



merchant than before. Thus a great educational work of a most constructive nature is constantly going on, and with a unity of purpose.

#### THE MELTING POT

In connection with recent statements that the United States is to be the melting pot of the world, the following is from an address made by a president of the National Shoe Wholesalers' Association:

"America is made of all nations and is the world's friend. Here, as nowhere else on the face of the earth, are all men gathered as of one blood; and our composite race is destined to lead the world. We have the freedom of the Anglo-Saxon; the idealism of the French; the thoroughness of the German; the optimism of the Irish; the solidity of the Dutch; the stolidity of the Russian and Swede; the snap of the Jap; the honesty of the Chinaman; the thrift of the Scotch; the instinct of the Indian; the philosophy of the African; all pulling on one great cable to lift the Republic of North America above all the nations that have ever existed on the face of the earth. . . . Let us cultivate a personal acquaintance and enjoy a social touch. There are no 'black art' secrets to be withheld from each other. The test of success today rests upon scientific business management and reliable merchandising methods, and it is a benefit to each one of us to come together and discuss frankly and freely our plans for success and our fears of failure. We are more closely drawn together in our special line as we have a common bond of sympathy about which to converse. While we are together let us work and play as members of one great family drawn together by the magnetism of mutual interest."

This condition exists here in New England to a marked degree. It is estimated that some thirty-five different languages are spoken in such manufacturing cities as Lawrence and Fall River. Nearly all of the nationalities mentioned above are represented on our ledgers as retail dealers doing business with us. These men of foreign birth rank well up with the original New England stock as to thrift, honesty and ability to adopt the best business customs in the conduct of their business. They are quick to "catch on" and seize opportunities. We find them to be patriotic and loyal to the United States, their adopted country. They were proud of their sons in the national service; they were liberal contributors to war organizations, and bought Liberty Bonds and War Savings Stamps freely.

With great foresightedness the prominent shoe manufacturers of New England have established branch distributing houses in the large cities of the country. Methods similar to those of the New England shoe wholesalers are the rule with these distributing houses, so that the New England shoe wholesalers' method is the accepted one in the other sections of the country. This

## NATIONAL ASSOCIATION OF CREDIT MEN

### Officers and Directors, 1921-1922

#### President

\*W. B. Cross,  
F. A. Patrick & Co.,  
Duluth, Minn.

#### Second Vice-President

\*E. P. Tuttle,  
Atlas Shoe Co.,  
Boston, Mass.

#### First Vice-President

\*J. E. Norvell,  
Norvell-Chambers Shoe Co.,  
Huntington, W. Va.

#### Secretary-Treasurer

J. H. Tregoe,  
41 Park Row,  
New York, N. Y.

#### Directors

R. C. B. Adams,  
National Commercial Bank & Trust  
Co.,  
Albany, N. Y.

R. T. Baden,  
Holland, Baden & Ramsey,  
Baltimore, Md.

\*H. C. Bainbridge, Jr.,  
Chas. T. Bainbridge's Sons,  
Brooklyn, N. Y.

P. B. Bethel,  
Falls City Clothing Co.,  
Louisville, Ky.

\*H. S. Collinsworth,  
Gramling-Spalding Co.,  
Atlanta, Ga.

F. M. Couth,  
Blake, Moffit & Towne,  
Los Angeles, Cal.

\*T. K. Cree,  
Ailing & Cory Co.,  
Pittsburgh, Pa.

\*C. L. Davies,  
Ridenour-Baker Grocery Co.,  
Kansas City, Mo.

\*Gordon M. Day,  
Day-Bergwall Co.,  
Milwaukee, Wis.

C. W. Dupuis,  
Citizens National Bank,  
Cincinnati, O.

R. G. Elliott,  
Jacques Mfg. Co.,  
Chicago, Ill.

George W. Gardiner,  
Union Trust Co.,  
Providence, R. I.

O. J. Gossard,  
M. E. Smith & Co.,  
Omaha, Neb.

Vernor Hall,  
Blair & Hughes Co.,  
Dallas, Tex.

H. T. Hill,  
Gray & Dudley Hdw. Co.,  
Nashville, Tenn.

\*J. B. House,  
Lehmann-Higginson Gro. Co.,  
Wichita, Kansas.

E. H. Jaynes,  
Cleveland-Cliffs Iron Co.,  
Cleveland, O.

\*J. F. Jordan,  
Wyman, Partridge & Co.,  
Minneapolis, Minn.

\*B. M. McIntosh,  
Sweet Candy Co.,  
Salt Lake City, Utah.

A. J. Peoples,  
Detroit Copper & Brass Rolling  
Mills,  
Detroit, Mich.

\*H. K. Scherer,  
Evansville Metal Bed Co.,  
Evansville, Ind.

W. P. Simpson,  
C. T. Patterson Co.,  
New Orleans, La.

\*Freas Brown Snyder,  
W. C. Hamilton & Sons,  
Miquon, Pa.

\*J. H. Weer,  
West Coast Grocery Co.,  
Tacoma, Wash.

\*Newly elected to this position.

is of enormous advantage to the retail dealer because he has large stocks located at central points upon which he can draw frequently, which enables him to keep his stock "sorted up" and to make a turn over which otherwise could not be done.

This short history of the shoe industry in New England is based upon my connection with it covering a third of a century. The history of the shoe trade is duplicated by all other industries in New England. The kindred lines, hardware, clothing, dry goods, groceries, jewelry, etc., have their own organizations embodying the same ideas and purposes. Recently there has been formed the New England Optical Association, comprising manufacturers, wholesalers and retailers in optical goods, who, watching what has

been accomplished in these other organizations, realized that they also must get together and co-operate for the protection and advancement of their mutual interests. This same principle has resulted in the wonderful growth of the Credit Men's organizations. The prominent firms in each line of business are members therein, because they appreciate that no longer can any particular business live unto itself alone; that all are closely related, and inter-related one with the other. And so through the Credit Men's Associations the New England merchant is working with a zeal born of an enlarged vision to co-ordinate fundamental conditions, towards the end of making all business healthier and safer.

As for the banker; he is today working in a most helpful way with

the business man. The Boston Association of Credit Men numbers among its members every bank and trust company in the city; the president of a leading bank is one of our directors. Our board of thirty-two directors includes representatives of all leading industries, and as we meet together we feel we are particularly well equipped to set forth existing conditions and the outlook for the immediate future.

#### FEW FAILURES

New England was the first section of the country to feel the depression: the deflation was drastic and severe. Although many dividends were suspended and unemployment was great, failures were surprisingly few and reports of destitution and want few and almost negligible. Those businesses that readjusted their prices to prevailing market quotations began early to pick up. We had a buyers'

strike; but the public responded well to every store that advertised prices which they thought were right.

#### GETTING ON HER FEET

Mills and factories throughout New England, with the exception of those in the steel and iron industry, are running on the average from 60 to 70 per cent. of capacity and increasing their output gradually. Retail business since the first of March has been fully up to what may be termed normal. Both wholesale and retail stocks have been steadily reduced. All business in New England has been constantly working on to a healthier basis. Daily we are seeing settlements of labor disputes: men who have been out on strikes for months are once more at work, and we believe that commercially speaking New England is surely and steadily getting on her feet once again.

## Practical Workings of the Budget

By R. Preston Shealey

Washington Correspondent of The Credit Monthly

IF the Government owes you a bill and you come down to Washington in an endeavor to collect it, it may surprise you to know that you will have to see the same people to get your account passed as you did when you were down last year or year before last. In other words, while the Act of Congress approved June 10, 1921, entitled "An Act to provide a national budget system and an independent audit for Government accounts, and for other purposes," abolished the six auditors of the government and the Comptroller of the Treasury, yet the same clerks and minor officials who functioned in these various offices are still on the job and they are the people to whom the government contractor is still going to get his accounts paid. Title three of the Budget Bill created a general accounting office, and in pursuance of the authority vested in the President by this Act, he has appointed J. Raymond McCarl, Comptroller General of the United States, the jurisdiction of this office embracing all of the duties of the former Comptroller of the Treasury, but with distinctions that may in the end prove of importance. For instance, the Comptroller of the Treasury was formerly an official of the Treasury Department and under the control of the Secretary of the Treasury, while the present office of the Comptroller General is an independent one and his reports go directly to the

President and to Congress.

While the change in connection with the accounting system of the government has not on the surface at least, seemed to create much of a departure from former methods. But if the activity of General Dawes, Director General of the Budget, and his office, is taken as an augury of what is to be accomplished—and everyone who knows General Dawes believes that he is going to get somewhere—the changes made by this section of the Budget Act will be marked, though many people may be disappointed even in this. The writer has recently seen here in one of the government departments a compilation showing that only sixteen per cent of the expenditures of the government for the fiscal year ending June 30, 1921, were expenditures on the civil side of the government, so that there are limits to the economies that General Dawes may be able to effect.

#### BAD CASE OF DUPLICATION

Some years ago, Congress passed one appropriation authorizing and directing the Department of Agriculture to establish an experimental station for fish-packing and curing, and at about the same time made another appropriation for exactly the same purpose but to be expended by the Department of Commerce. Both of these experimental laboratories were actually under way, one at San Diego, Cal., and one at San Pedro,

Cal., before it was discovered that the work of the two departments was a duplication. The matter was straightened out shortly thereafter, but not before the laboratories began to function. In more recent years, there has not been so much of this duplication going on. General Dawes has asked for suggestions from the departments and bureaus, and he has already received at this writing, July 11, more than a hundred recommendations and suggestions, so that it will probably be two or three weeks or longer before he has something definite to offer to the President and to the people.

The Budget, as is generally known, does not apply, technically speaking, to the appropriations for the fiscal year ending June 30, 1922; but if the Director of the Budget should now discover that any of these appropriations overlap or are unnecessary, it will be not only possible but practicable for him to report the situation to the President and by co-operation with the heads of the various executive departments to eliminate a good deal of overlapping and duplication. In fact, if a bill known as H. R. 7543, introduced in Congress on July 1 by Representative Byrns, of Tennessee, one of the minority members of the Select Committee on the Budget, becomes a law within the near future, overlapping and duplication of government activities will pretty largely cease. This bill authorizes the President to cancel any appropriation or cut down any appropriation heretofore made by Congress for the executive departments. It does not, of course, give him the power to make appropriations of his own, but with this limitation on the appropriation bills now passed or in course of passage, the Director of the Budget through the President could exercise a mighty effective check on waste.

### "Too Much Government in Business and Not Enough Business in the Government"

Washington.—U. S. Senator Walter E. Edge of New Jersey, who acted as host to the National Association of Credit Men at its 25th Annual Convention at Atlantic City in 1920, telegraphed a message to THE CREDIT MONTHLY which appeared in this magazine in June, 1920, in which he said that "There is too much government in business and not enough business in the government; and the American Credit Man can greatly help in remedying this condition." This phrase has gained a great deal of currency since its publication in THE CREDIT MONTHLY. It has been used by the President of the United States and by other public men in various messages and speeches.

# Narrative of the Convention

## Letters to Friendly Competitor from Member of Presidential Special Party

By Joseph K. Drake

Treasurer, Enniole Manufacturing Co.

**T**HE CREDIT MONTHLY is glad to present this set of letters describing the experiences of a delegate to the San Francisco Convention of the National Association of Credit Men:

July 8, 1921.

DEAR TOM: I am on board the Presidential Special headed for the Twenty-Sixth Annual Convention of the National Association of Credit Men and am going to give you a running account of this trip and of the Convention, although you are vice-president of a rival manufacturing company! (I suppose a few years ago any such close relations between the credit managers of two rival companies would have been unheard of.) There are one hundred and sixty-two people on this Special, representing thirteen states. The head of the crowd is of course National President Koelsch. With us also are 1st V. P. Cross and 2nd V. P. Norvell—to say nothing of the life of the party, President Bainbridge of the New York association.

At Chicago we had three hours in which to roll around in automobiles belonging to hospitable members of the Chicago association, and we made the most of the opportunity to see the Loop, the Lake Front and the great park system. Robert J. Kane, Joyce, Kane & Albrecht Co., was chairman of the efficient committee that looked after us and was ably assisted by the following:

C. R. Dickerson, Peter Van Schaack & Sons; S. Einstein, Florsheim Shoe Co.; D. J. Evans, National Lead Co.; H. W. Hardy, Libby, McNeill & Libby; C. J. Mulvey, Lyon & Healy; R. H. Myers, Simonds Mfg. Co.; C. A. Richards, Fuller-Morrisson Co.; H. J. Robins, Fairbanks, Morse & Co.; F. D. Rock, Armour & Co.; J. H. Taylor, Benjamin Electric Mfg. Co.; J. W. Thomas, Great Lakes Trust Co.; H. B. Boardman, Chicago Representative of THE CREDIT MONTHLY; and K. E. Nordwall, Assistant Secretary, Chicago Association.

At Kansas City, day before yesterday, we had the same kind of entertainment, that is, an automobile trip for the few hours we were in town. This was an eye-opener for those of us who have not seen Kansas City for some years, especially the great

development of commercial buildings, suburbs and parks. Note book souvenirs were distributed by our K. C. hosts and "a pleasant time was had by all."

### MUSIC ON THE TRAIN

The Edison phonograph of Chippendale design lent by E. H. Philips of Thomas A. Edison, Inc., has been in use in the observation car right along, although only the more acrobatic members of the party can toddle satisfactorily enroute.

The flood at Pueblo caused us to make a detour and we were caught between a flooded bridge and a washed out stretch of track and held for half a day at the little town of Canadian, Texas. The local weekly, L. P. Loomis' "Canadian Record," assisted by talent from this train, got out a special Credit Men's Edition. This unexpected visit to a Ranhandle town was a novel experience and included a close-up of a real high-heeled, muddy cowboy.

One of the articles that appeared in our edition of the Canadian Record was the following, entitled:

### "THE GREAT ANSWERER"

It has been supposed that Harry J. Austin, the New York Central man, traveling with the Credit Men's Special, was chosen for this job because of his intimate knowledge of the railroad business. The real reason, just discovered by the Record, for his choice is that he is the holder of the Edison Gold Medal for answering Foolish and Intelligent Questions in a genial manner. Among the questions courteously and promptly answered by Mr. Austin are the following:

Are we running on time?  
Are we going to miss the Grand Canyon?  
Where is Mr. Orr?  
How big is Texas?  
What is the name of this prairie flower?  
Can't we travel at night to make up for lost time?  
Why is the town called Canadian?  
Why is the Canadian river called the Canadian?  
Why is Canada called Canada?  
Does answering foolish questions make the hair fall out?  
What is the name of the leading organization of financial executives with a country-wide membership in the United States?  
Which would you rather listen to, a song by P. F. J. Muskopf of Philadelphia, in the bass, or a cantata by Caruso in the hard rubber?  
Who is the leading lady's man on the train?  
Who is the most beautiful woman on the train?  
Who is the prettiest, best mannered kid on the train?  
When do we reach Riverside? When do we get to Los Angeles? to Santa Barbara? to Del Monte? to Portland? to Tacoma? to Seattle? to Vancouver? to Victoria? to Lake Louise? to Banff? to Winnipeg? to

Minneapolis? to St. Paul? to Milwaukee? to Broadway.

Yours for Foreign Travel,  
JOE.

June 9, 1921.

DEAR TOM: A little late in arriving at the Grand Canyon, but exactly in time to enjoy a hail storm and then a sunset. You know there is nothing like a Grand Canyon sunset on this earth. Today was spent in automobiling around Redlands, Smiley Heights and to the top of Rubidoux Mountain. This evening we had dinner at the picturesque Mission Inn.

When we went to the First Aid Cabinet (donated by C. A. McCormick of Johnson & Johnson, New Brunswick) we found that some thoughtful traveler had taken the iodine and failed to return it.

### PRAIRIE DOGS

One delegate says he overheard this serious conversation between two members of the party as the train rolled through the cattle country:

A. "My, but those cows are scattered. I should think the farmer would lose them."

B. "Oh, no. The farmer just sends out his prairie dogs in the evening to bring them in."

June 11, 1921.

DEAR TOM: After a few hours of great heat, yucca flowers, sage brush and alkali, we broke at last into the cool and refreshing atmosphere of Southern California. Some miles up the line from Los Angeles, former National President McCormas, President Cattell, Director Couch and Secretary Ide of the Los Angeles Association climbed into the train and gave us a ton of oranges and a warm welcome.

For a day in Los Angeles we took care of ourselves. A great many called on business acquaintances and friends and observed the evidences of the tremendous growth the city has had in the past few years. Others, according to their tastes, took a look at the bottom of the Pacific through a glass-bottomed boat at Santa Catalina Island, went in swimming or rode in a flying boat.

Today the Los Angeles crowd



took us in hand and showed us their city and its neighborhood. In the morning we motored many miles and lunched in a wonderful grove of live oaks and attended in the evening a great banquet and ball at the Ambassador Hotel. Pres. J. A. Cattell (Stetson-Barret Co) of the Los Angeles Association presided with special skill, and the outside entertainment consisted of an address by the veteran actor, Frederick Warde, and a talk by Will Rogers, the cowboy monologist. I understand that Los Angeles beside taking care of our party in this splendid way are making plans to entertain another group of credit men who will swing down through Los Angeles on their way home from the Convention.

Among our hosts at Los Angeles were the incoming President of the Association, R. L. McCourt, Calnevar Shirt Co.; A. F. Stepan, Western Wholesale Drug Co.; Jay Spence, Los Angeles Trust & Savings Bank; Edgar Ide, Kellaway-Ide Co.; F. W. Black, Cal. National Supply Co.; W. W. Grether, Grether & Grether; A. C. Jones, Armour and Co.; H. S. Botsford, Puente Oil Co.; F. M. Couch, Blake, Moffitt & Towne; C. W. Fernholtz, Fernholtz Machinery Co.; Seymour Swarts, Great Western Smelting & Refining Co.; A. J. Goldwater, Stewart, Dawes Shoe Co.; A. W. McAllister, Lee Chamberlin & Co.; J. D. Machomich, Rivers Bros. & Co.; R. H. Cantley, Grimes & Stassforth Stationery Co.; A. D. Kinne, R. G. Dunn & Co.; and Newman Essick, Concrete Machinery & Supply Co.

Yours for Southern California,

JOE.

June 13, 1921.

DEAR TOM: We have had one and a half days at Santa Barbara, Del Monte, and Monterey and will arrive at dinner time this evening at San Francisco. I enclose three dozen picture postal cards which will give you very little idea, I am afraid, of the beauty of this country.

C. De L. Alton, of J. B. Williams Co., Glastonbury, Conn., has supplied this train with samples of Williams products.

#### A CAREFUL DIARIST

One member of the Presidential Special, who is keeping a very exact diary, recorded the number of seals on Seal Rocks. The exact figure (131) was obligingly furnished by another delegate. As the trip has progressed many of his fellow travelers have gone out of their way to give the diarist much exact information that is not in the railroad pamphlets. The diary records that 802 gulls were sitting on a certain rock

seen from the seventeen-mile drive at Del Monte.

The manager of the trip, W. W. Orr, Assistant Secretary of the National Association, has provided a library of twenty books on the western country. As there are seldom more than half the volumes in the observation car at one time, I think they are being read, in spite of the great number of maps, illustrated booklets, etc., supplied by the N. Y. Central lines, the Santa Fé, the Southern Pacific, the Great Northern, the Canadian Pacific, the Soo line, and the C. & N. W.

Yours for education,

JOE.



Official Photo by Bainbridge

PRES. CROSS AND VICE-PRES. NORVELL AT THE TOP OF THE GREAT DIVIDE

#### CONVENTION OPENS WITH A RUSH

June 14, 1921.

DEAR TOM: The Convention opened with a rush today. You saw the program of the Convention in the JUNE CREDIT MONTHLY. The San Francisco men have printed the program, with illustrations and a map of San Francisco, in pamphlet form. The cover is a miniature of THE CREDIT MONTHLY. Those who took charge of all the arrangements for the Convention and who are seeing the thing through in fine shape are Pres. Thomas M. Earl, Chairman of the Executive Committee; 1st V. P. E. C. Gayman, Chairman, Speakers' Committee; 2nd V. P. Eugene S. Elkus, Chairman, Entertainment Committee; Treas. W. B. Maxwell, Chairman, Finance Committee; Secretary-Manager F. S. Jefferies, Chairman, Hotels Committee; Director R. H. Ohea, Chairman, Publicity Committee; Director C. C. Beck, Chair-

man, Reception Committee; Mrs. T. M. Earl, Chairman, Ladies' Auxiliary; Director C. E. Baen, Chairman, Convention Hall Committee; Directors Horace Coffin, Wm. Deans, C. J. Merrill, J. H. Newbauer, C. A. Parmelee, and W. A. Rankin; J. J. Walsh in charge of the Mt. Tamalpais outing; G. D. Sizer, in charge of "A Night in Bohemia"; O. H. Walker, in charge of the President's Ball and Reception; and P. A. Pfueger, in charge of the Automobile Tour.

I understand that in order that every arrangement should be complete National Secretary-Treasurer Tregoe and C. D. West made a trip to San Francisco and the San Francisco Vice-President Elkus made a trip to the National Office in New York some weeks before the Convention.

The Convention program is being pretty closely adhered to except that Vernor Hall of Dallas, Texas, could not attend and the addresses of welcome were responded to by Dave Carson of the Central National Bank, Philadelphia. That city has a strong and active delegation here. To judge from these delegates the accusation that Philadelphia is a sleepy town belongs with the long forgotten joke about the big feet of Chicago girls. (For example: today, Flag Day, every Philadelphian wore a flag.)

#### REPLY TO ADDRESSES OF WELCOME

Here is part of Carson's first-rate speech. I got the text from the stenotypist, Miss Catharine Irvan of Oakland.

"We are all familiar with Wm. Post's four big C's of Credit—Character, Capacity, Capital, Collateral. *Here they are lived.* You are blessed with surroundings that inspire one to higher thoughts. Often during the last few days the words of the Psalmist of old have been recalled, 'I will lift up mine eyes unto the hills from whence cometh my help.' If character is not builded here, it cannot be built. If capacity is not developed here, man cannot prosper, for I am told your native sons admire only man's ability to do. With character and capacity, just as sure as two and two are four, capital is created. All capital must originate from Mother Earth and she has generously endowed you with her resources of oil, minerals, lumber, luscious fruits and your noble harbor within whose Golden Gate the navies and merchantmen of the world may nestle. Then your bankers will find that with these three—Character, Capacity, Capital—the fourth is acquired, which is Collateral.

"In your hospitality I find the four big C's are again at work, for we have been Courteously received, you have been Chivalrous to our ladies, you have looked to our every Comfort, and Contentment reigns supreme."

Joseph J. Scott of Los Angeles in a very eloquent talk this morning gave us the impression that although rivalry still exists between the two big cities of California there is on the

part of each a deep admiration and affection for the other. I took down one passage of his speech, as follows:

"Nevertheless we are really glad you came to San Francisco, a city which was builded on great, big, magnificent lines many years ago, by old Argonaut stock. It raised a crop of youngsters living on the strength of their fathers, and they weren't living very strenuously at that. They were telling us about what the pioneers had done in '49 and '54 and '65 and '72. We poor one-lungers down in Southern California were doing the best we could.

"All of a sudden this town was swept by a fire, the most devastating fire in the history of the world. Where you sit now was the line of the zone of fire. All this side of the block of Van Ness Avenue was blown up and from there to the Bay was ruin and devastation and horror. Then San Francisco really showed what was in it. It was credit for San Francisco; no longer resources. It was confidence in their fellow citizens, confidence in their town, pride in their own community, belief in the everlasting omnipotence of God and their own strength that enabled them to build the city over again."

#### CREDIT MANAGERS' SPECIAL SESSION

The afternoon was called a "Credit Managers' Special Session." National Director H. T. Hill, Gray & Dudley Hardware Co., Nashville, as a pinch hitter, gave a fine talk on the relations between the credit and sales departments, as the Cleveland association did not produce a speaker as expected. Three papers, presented by Maxwell of New York, Reiter of Chicago, and Ross of Portland you have probably read in the July CREDIT MONTHLY, but I wish you had heard the discussion that followed each paper brought out by that well-known quiz master, J. H. Tregoe. This was right up our street! It was pure credit stuff and of great educational value even to old hands at the game.

Yours for San Francisco,

JOE.

June 15, 1921.

DEAR TOM: Each session is opened with singing led by Hugo Kirchhofer, the Californian sing master, who gets us to expand our lungs and to look up, not down,—out, not in. This morning was devoted to a "Credit Facilities Session." We had declarations from the Credit Co-operation and Credit Department Methods Committee, presented by H. W. Angevine, Hyatt Roller Bearing Co., Newark. Then followed a fine address by Henry M. Robinson of Los

Angeles on "America's Responsibility as a Creditor Nation." George B. Cole, of R. H. Lane & Co., Toledo, presented the declarations of the Credit Interchange Committee and Lawrence Whitty of Chicago and E. B. Moran, manager of the Central Credit Interchange Bureau, led the discussion. E. P. Bailey of Philadelphia presented the declarations of the Mercantile Agencies' Service Committee and the discussion was led by W. E. Beamer.

#### TRADE GROUP CONFERENCES

This afternoon was devoted to trade group conferences, the importance of which is considered very great by every delegate I talked to about them. Our own trade group was a large one and the exchange of ideas well worth the trip to the coast. Dr. Whyte, Director of Credit Research in the National Office asked each trade group to answer a uniform series of questions as to conditions and I think the reports on the last day of the Convention will be of great importance.

Before the trade groups went into conference, there was an automobile tour for everyone around San Francisco, including Golden Gate Park, the Presidio, and all the rest of the charming old and fascinating new city. As an example of the thoroughness of the arrangements, we found on the street corners signs pointing the way the automobiles should go—"Credit Men's Drive, This Way." Pretty good for a drive of about forty miles!

This evening there was a dinner and conference of the Export Credit Managers at the Commercial Club, which one man told me was the most interesting conference he had attended so far; a dinner of presidents and secretaries of the local credit men's associations; a dinner of national directors at the Bohemian Club and a dinner of the Robert Morris Associates attended by banking members of the Association.

Yours for the Golden Gate,

JOE.

June 16, 1921.

DEAR TOM: J. W. Spangler, President of the Seattle National Bank, in the session this morning gave a particularly clear exposition of the Federal Reserve System, how it came into being and what it is doing for the business community. It was an inspiration also to hear this comparatively young man, now president of a great bank, tell how much he owed to his association with the organized credit men of the country.

Banking and Currency, Credit Education, and Federal Taxation

## THE CREDIT MONTHLY

were the subjects of the morning.

We all took the afternoon off and went to the top of Mount Tamalpais, a 2600 foot mountain which makes aviation superfluous in San Francisco. The ladies of the party had preceded us and had visited the redwood grove near by. (Women credit managers are well represented and many credit men have brought their wives, sisters and daughters.) We all had supper near the summit of the mountain, saw a glorious sunset on the Pacific and the great Bay of San Francisco fading in the darkness and then in the moonlight slid down the mountain railroad without a locomotive.

I understand that San Francisco raised a liberal fund for the entertainment of the Convention. This is obvious from the elaborate program of events. Of course no money value can be put on the weeks of work by the San Francisco members before the Convention and for their hospitality to us all.

Yours for Mount Tamalpais,  
JOE.

June 17, 1921.

DEAR TOM: If any one doubted the importance of transportation in American business, the talk this morning by Wm. Sproule, President of the Southern Pacific Co., would have made him change his mind. The subjects of the morning were Bankruptcy Law, Adjustment Bureaus, Business Service, and Fire Insurance and Prevention.

In the afternoon former National President C. R. Burnett of Newark, President Bainbridge of the N. Y. Association and several others told of the Investigation and Prosecution work of the Association. Former National President F. B. McComas of Los Angeles gave us "A Message from the Pacific Coast," in which he alluded to the harbor which his city had acquired by the simple method of annexing a part of the coast and a strip of land a mile wide and twenty-five miles long. He said that some one had remarked that the harbor was not large, to which he had replied, "That is all right; we dig it out any time we want the space."

#### MEMBERSHIP PRIZE WINNERS

Arnold Mowbray, manager of the Membership Department of the National Association, presented the banners to the winning Associations in the membership work during the past year. Each winning association received a handsome banner and each individual prize winner was awarded a solid gold watch fob, appropriately inscribed.

Associations obtaining largest

number of new members from June 1, 1920, to June 1, 1921, awards being made upon a percentage basis, were:

San Francisco Association of Credit men.....Class A  
Rochester Association of Credit Men.....Class B  
Omaha Association of Credit Men.....Class C  
Charlotte Association of Credit Men.....Class D

Individual prize winners, volunteer workers obtaining largest number of new members and recovering largest number of resignations between June 1, 1920, and June 1, 1921, were:

O. F. Schultz, of Chicago association .....Class A  
Irving F. Hoyt, of Rochester association .....Class B  
W. B. Downs, of the Wheeling association .....Class C  
S. W. Beckley, of Hartford association .....Class D

The best showing made by an organization was that of the Charlotte Association of Credit Men, which amounted to 239 per cent.

#### TRADE GROUP REPORTS

Then came the reports of the trade group conferences. A representative of each one was allowed three minutes in which to present the declarations of his group. It is extraordinary how much can be said in three minutes!

The men who presented these group conference reports were: R. T. Graham, Pittsburgh Dry Goods Co., Pittsburgh, Pa.; E. G. Leihy, Blumauer-Frank Drug Co., Portland, Ore.; T. K. Cree, Alling & Cory Co., Pittsburgh, Pa.; George J. Gruen, Gruen Watchmakers Guild, Cincinnati, O.; Edward Beran, Cahn Nickelsburg Co., San Francisco; W. W. Armstrong, Eisner, Sigmund, Co., Red Bank, N. J.; E. K. Scherer, Evansville Metal Bed Co., Evansville, Ind.; J. T. Young, Idaho Wholesale Grocery Co., Pocatello, Idaho; C. D. Potter, Devoe & Reynolds, N. Y.; I. W. Love, Geller, Ward & Hasner Hardware Co., St. Louis, Mo.

Next followed the election of Vice-President Cross to be President, Second Vice-President Norvell to be First Vice-President, and Director E. P. Tuttle of Boston to be Second Vice-President. Tregoe, who explained that Mr. Tuttle was unavoidably detained at home, said that it was a special and unusual honor for a man not present to be elected to office at our National Convention.

Past President McComas took the floor to present to retiring President Koelsch a grandfather's clock on behalf of the Association; but his pre-occupation with the glorious climate

VOL. I, No. 1

THE

San Francisco  
June 17, 1921

# DISCREDITED NEWS



*Irrational* Magazine of

## BUSINESS FORGETFULNESS

"Ye're welcome all—  
A hundred thousand welcomes!"

## A-Night-In-Bohemia

Published by the

San Francisco Association of Credit Men

for the

Twenty-Sixth Annual Convention

of the

National Association of Credit Men

Ten Bucks a Copy

Twenty-five Scents a Year

REDUCED FACSIMILE OF RED AND BLACK COVER OF PROGRAM OF BIG PARTY  
ON LAST NIGHT IN SAN FRANCISCO

of California was such that he did not make it clear either to Koelsch or the majority of the audience that a real gift was being made. Koelsch, for his part, proceeded to nominate McComas for Governor of California!

#### RESOLUTIONS COMMITTEE

The various resolutions adopted by the Convention were presented by W. H. Pouch, N. Y., Chairman of the Convention Committee on Resolutions. His fellow committeemen were: Vice Chairman H. A. Sedgwick, Duluth; J. H. Dunscomb, Albany; C. Walter Carnan, Baltimore; John V. Briery, Boston; W. F. Courtney, Denver; W. A. Petzold, Detroit; J. W. Lester, Houston; J. N. Woodmansee, Kansas City; Guy G. Harris, Lincoln; J. M. Rust, Los

Angeles; S. G. Steiner, New Orleans; H. W. Angevine, Newark; Frank H. Randel, Philadelphia; Robert T. Graham, Pittsburg; E. W. Johnstone, Portland; P. T. Padgett, Seattle; I. W. Love, St. Louis; Robert H. Gay, San Francisco; J. E. House, Wichita; I. K. Schnaitter, Cleveland; Otto Schultz, Chicago; W. G. Buchanan, Washington; C. H. Glass, Tacoma; F. S. Walden, Salt Lake City; and F. G. Grimes, Mishawaka.

Yours for the Convention,

JOE.

THREE SECONDS AT WICHITA

June 20, 1921.

DEAR TOM: Our Panhandle detour last week took us unexpectedly through Wichita, Kansas, and tele-





- |                                    |                              |                                       |
|------------------------------------|------------------------------|---------------------------------------|
| 1 L. O. Emerich, N. Y.             | 15 W. C. Mitchell, Boston    | 31 H. Detchon, General Manager        |
| 2 F. J. Cronin, N. Y.              | 16 M. H. McFellin, Toledo    | 32 F. Gairing, Youngstown             |
| 3 H. E. Pilcher, Huntington        | 17 Mrs. M. Marks, N. Y.      | 33 F. A. Brown, Toledo                |
| 4 Donald Longacre, Phila.          | 18 Miss Lucille Marks, N. Y. | 34 Mrs. F. A. Brown, Toledo           |
| 5 Ira D. Johnson, Buffalo          | 19 M. Marks, N. Y.           | 35 Mrs. R. B. Roantree, East Syracuse |
| 6 P. E. J. Muskopf, Buffalo        | 20 Mrs. L. S. Jones, Utica   | 36 R. B. Roantree, East Syracuse      |
| 7 D. A. Longacre, Phila.           | 21 I. Deutch, N. Y.          | 37 Miss L. A. Gladish, Kansas City    |
| 8 Vernon Morris, Winnipeg          | 23 A. E. Whitehouse, N. Y.   | 38 A. F. Maxwell, N. Y.               |
| 9 R. T. Keefe, Arkansas City       | 24 Miss M. F. Jones, Utica   | 39 Mrs. A. F. Maxwell, N. Y.          |
| 10 Mrs. R. T. Keefe, Arkansas City | 25 W. W. Orr, N. Y.          | 40 Mrs. J. C. Brittain, Winnipeg      |
| 11 Mrs. F. P. Sher, Phila.         | 26 Mrs. W. W. Orr, N. Y.     | 41 H. Uehlinger, N. Y.                |
| 12 Mrs. E. N. Kullman, Milwaukee   | 27 F. Henderson, N. Y.       | 42 Mrs. M. C. Smith, Jersey City      |
| 13 E. N. Kullman, Milwaukee        | 28 Mrs. H. Detchon, Winnipeg | 43 Mrs. Wm. Fraser, N. Y.             |
| 14 F. A. Stearns, Boston           | 29 J. C. Wuerfel, Toledo     | 44 Wm. Fraser, N. Y.                  |
|                                    | 30 Miss C. Raab, Toledo      |                                       |

## The Presidential Party Entertained at Winnipeg

grams saying that we were coming were sent to two or three old friends there. Brief as the notice was, the Wichita association had a big delegation down at the station. But our engineer apparently came upon Wichita so suddenly that he ran by, and we found ourselves a mile and a half down the track before we could get word to him. Then it was too late, and we missed all the flowers and welcome that the Wichita crowd had for us in abundance. We saw some of the boys at the convention and they took it all good naturedly, although I suppose their disappointment was as great as ours.

### THE COLUMBIA RIVER

We arrived early this morning at Portland, a little groggy from the splendid hospitality we had received in California. We were met at the train by a fleet of 108 cars, owned and operated by members of the Portland association and taken on the Columbia River drive, after having a good look at the city of Portland itself. Our hosts not only took care of this "Presidential Special" party, representing thirteen states, but the "Indianapolis Special," representing nine states. This latter

special train is headed by such representative delegates as Dwight A. Murphy, City Trust Co., Indianapolis; Judge W. L. Percy, Bobbs & Wey Co., Atlanta; Oakey Johnson, Abney-Barnes Co., Charleston, and Secretary Cauley of the Cleveland association. All of us were handled in the most comfortable possible way on this magnificent drive and enjoyed a Benson Hotel picnic in Eagle Creek Canyon.

In the evening, the credit men of the "City of Roses" held a banquet for the visiting delegates, at which Acting Mayor C. A. Bigelow made the address of welcome. Joseph B. Kerr was toastmaster, and among the many Portland men responsible for the hospitality were Pres. A. C. Longshore, Northwestern National Bank; O. Middleton, Blake, McFall Co.; O. A. Côté and P. Sessions of the association; Miss M. N. Peterson, Fisher Flouring Mills Co.; L. B. Cornell (Chairman, Special Entertainment Committee), Alexander Hamilton Institute; Geo. R. Grayson, Geo. Lawrence Co.; Walter Klein, Stradivara Phonograph Co.; A. T. Slade, W. H. Worden Co., and Miss D. B. Downs, Ryan Fruit Co. Frank Branch Riley eloquently de-

scribed some very fine colored slides of the Western country and made the point that these Western sights were as much ours as the splendors of the Hudson River were his. At the banquet, Koelsch, Norvell, D. A. Murphy, the Indianapolis president, and Gordon M. Day, the Milwaukee president, addressed the delegates.

### AN IODINE FIEND?

First Class Scout Walter Bunke of New York, one of the young members of the Presidential Special party, is in charge of the First Aid Kit. He reports that three bottles of iodine have now been abstracted from it and have not been returned. Have we an iodine fiend on board?

Our retiring President, Koelsch, was the guest of honor today at a luncheon by the Portland Chamber of Commerce.

Yours for the Great West,  
JOE.

### TACOMA

June 22, 1921.

DEAR TOM: We are on the salt water taking in the great panoramic view of Puget Sound. Yesterday we unfortunately had to divide the day between Tacoma and Seattle. I



- |  |   |  |
|--|---|--|
| 1 F. R. Scattergood, Phila.  | 20 H. C. Barnes, Phila.                                       | 39 W. F. H. Koelsch, ex-Pres. Natl. Assn. of Credit Men, N. Y. |
| 2 J. C. Brittain, U. S. Consul at Winnipeg                         | 21 I. B. Hopper, N. Y.  | 40 E. Giegerich, N. Y.   |
| 3 Minor C. Smith, Jersey City                                      | 22 B. D. Forster, N. Y.                                       | 41 Mrs. Sec. Ridgewood, N. J.                                  |
| 4 Mrs. A. L. Myers, Newark   | 23 Mrs. F. G. Smith, Milwaukee                                | 42 Mrs. Geo. W. Waugh, Newark                                  |
| 5 B. Lipp, Brooklyn  | 24 J. F. Briry, Boston  | 43 Miss E. B. Rush, Phila.                                     |
| 6 Mrs. H. W. Angevine, Newark                                      | 25 Douglas A. Clark, Pres., Canadian Credit Men's Trust Assn. | 44 Geo. W. Waugh, Newark                                       |
| 7 Miss S. A. Wood, Milwaukee                                       | 26 Mrs. J. K. Dunscomb, Albany                                | 45 Mrs. G. M. Day, Milwaukee                                   |
| 8 Mrs. D. R. Carson, Phila.  | 27 Mrs. B. D. Forster, N. Y.                                  | 46 Miss Mary Pouch, N. Y.                                      |
| 9 Mrs. Edw. Bains, Phila.  | 28 Mrs. J. F. Briry, Boston                                   | 47 Mrs. E. Moore, Huntington                                   |
| 10 Mrs. M. Weinschenk, New Castle                                  | 29 Miss Helen Forster, N. Y.                                  | 48 G. E. Rowed, Winnipeg                                       |
| 11 Mrs. E. S. Taylor, Phila.                                       | 30 Miss H. Kaempf, Milwaukee                                  | 49 J. T. Brown, Phila.   |
| 12 Mrs. J. T. Brown, Jr., Phila.                                   | 31 Mrs. W. B. Cross, Duluth                                   | 50 Mrs. D. A. Longacre, Phila.                                 |
| 13 Miss C. Moritz, Racine  | 32 W. B. Cross, Pres. Natl. Assn. of Credit Men, Duluth       | 51 E. Warschauer, N. Y.  |
| 14 Donald Forster, N. Y.   | 33 Mrs. E. D. Flannery, N. Y.                                 | 52 Mrs. W. W. Armstrong, Phila.                                |
| 15 Miss M. Trebus, Chippewa Falls, Wis.                            | 34 Mrs. W. F. H. Koelsch, N. Y.                               | 53 Mrs. C. A. Baird, Youngstown                                |
| 16 C. R. Peterson, Phila.  | 35 Mrs. John Bunke, N. Y.                                     | 54 Miss E. M. Agnew, Youngstown                                |
| 17 Mrs. C. F. Puckhafer, N. Y.                                     | 36 J. K. Dunscomb, Albany                                     | 55 Mrs. E. M. Miller, Brooklyn                                 |
| 18 John E. Norvell, Huntington, 1st V-P. Natl. Assn. of Credit Men | 37 Walter Bunke, N. Y.  | 56 E. M. Miller, Brooklyn                                      |
| 19 H. J. Austin, N. Y. Central Lines                               | 38 John Bunke, N. Y.  | 57 C. A. Baird, Youngstown                                     |

## by Canadian Credit Men's Trust Association

wish we had had at least 24 hours in each place.

At Tacoma we were motored around the city, shown the great cement stadium, welcomed there by the Tacoma association and showered with magnificent roses and shown the beautiful rose garden in their public park. J. Harry Weer, West Coast Grocery Co., made a brief, cordial address of welcome, and Secretary Edward B. Lung of the local association told us the plans for our entertainment. As one member said, practically the whole membership took a hand in our entertainment. Among those concerned were: A. B. Coulter, Tacoma Paper & Stationery Co.; H. S. Wilson, Tribune Publishing Co.; A. H. McEwan, Younglove Grocery Co.; F. Martinetti, The Bradstreet Co.; F. C. Whitehead, F. S. Harmon & Co.; F. F. Lawrence, Rogers Co.; I. C. Bonham, Tacoma Grain Co.; C. H. Plass, Coast Trading Co.; J. A. Pleasants, Henry Mohr Hardware Co.; W. W. Keyes, Attorney, Vigilantia Co.; C. O. Bishop, West Coast Grocery Co.

"COME HOME SEATTLE WAY"

At the Convention we had heard

the Seattle contingent sing their song, which went as follows:

San Francisco is a good old town  
I'm glad I was their guest,  
But you must see Seattle first  
Before you leave the West.  
Salt Lake has its Temple,  
New York has its old Broadway,  
But to see the best, that's in the West  
Come home Seattle way!

They certainly made good on their invitation. The afternoon was spent in motoring around the city and visiting points of interest. After dinner at the New Washington Hotel, a big party was pulled off at Leschi Park Pavilion on the shores of Lake Washington. It was a ball interspersed with amateur vaudeville stunts and speed boat rides. The vaudeville included a sermon on the supposed Biblical text, "When he had shaved, he went out," by "Reverend" H. S. Gaunce, of the J. T. Hardeman Hat Co. Other numbers were: Chamber of Commerce Chorus; "A Little Scotch," Margaret Daw and Douglas MacFarlane; the Eminent Phrenologist, "Prof." S. A. Rosenfeld; and "The Great Unknown," C. Macklem.

The officers of the Seattle Association who looked after the visitors were: Pres. C. P. King, V-P. C. L.

Cragin, Treas. E. J. Whitty, Sec. E. B. Genung, N. Hallgren, A. E. Matzger, C. A. Giblin, L. O. Sandin, F. A. Godfrey, W. E. Beamer, P. T. Padgett, and R. H. Moulton.

The Reception Committee, headed by James J. O'Reilly, consisted of Messrs. L. O. Sandin and W. E. Cavanaugh, Mr. and Mrs. C. P. King, N. Hallgren, E. B. Genung, W. E. Beamer, P. T. Padgett, F. A. Godfrey, C. A. Giblin, R. H. Moulton, E. J. Whitty, C. L. Cragin, A. K. Matzger, James J. O'Reilly, H. S. Gaunce, Fred W. Hawks, C. Macklem, E. V. Grisvard, A. R. Truax, H. G. Hotchkiss, L. B. Cooper, A. P. Hull, L. B. Nickols, Jr., C. E. Barker, R. F. Miller, J. A. Taylor, G. S. Costello, Lloyd Owen, S. A. Rosenfeld, A. Brygger and A. R. Priest.

They tell me that the credit and advertising men are doing a lot to bring together the rival cities of the great North West.

I hear that, in spite of the lavish entertainment at San Francisco, there was a balance left over from the big fund which has been turned in to the treasury of the San Francisco association.

Yours for the Pacific Coast,

JOE.

June 25, 1921.

DEAR TOM: We had our first taste of Canadian hospitality at Vancouver, where we had dinner at the Hotel Vancouver with the British Columbia branch of the Canadian Credit Men's Trust Association, Inc., which is a husky younger brother of our Association. We found that in Vancouver the credit men have regular weekly meetings and keep in the closest possible touch with each other. As one of them remarked to me, "Very little gets by us, for we keep pretty close tab on our customers."

We had a beautiful evening drive through the Vancouver park system in the automobiles of our hosts the local credit men, including the following:

John Dunsmuir, Wood, Vallance & Leggat (Pres. British Columbia Branch of the Canadian Credit Men's Association); Bert Twining, Simpson, Balkwell Co.; A. L. McWilliams, Kelly, Douglas, Ltd.; D. T. Thompson, James Thompson & Co.; George Robinson, Ames, Holden & McCready; Frederick Clough, Marshall, Wells & Co.; J. B. C. McLelland, "Mac & Mac"; Richard Worth, Western Oil & Supply Co.; R. A. Sargent, Gibbons, Ltd.; John Carpenter, Dunlop Rubber Co.; George A. Campbell, Geo. A. Campbell & Co.; J. F. Collins, Swift Canadian Co.; J. Galloway, McClary Manufacturing Co.; C. T. McHattie, Gault Bros.; A. L. Newson, National Machinery Co.; A. S. Sawers, J. Fyfe Smith & Co.; R. Smith, G. R. Gregg & Co.; C. A. Tinsman, North West Biscuit Co. of B. C.; J. B. Weir, Weir Machinery Co.; J. A. Tepoorten, J. A. Tepoorten, Ltd., and C. Halawell, A. H. Bain and C. H. Bailey of the staff of the Credit Men's Trust Association.

Yours for the Canadian Credit Men,

JOE.

June 26, 1921.

DEAR TOM: The last two days we have kept out all business thoughts and conversation and have enjoyed to the full the natural beauties of Lake Louise and Banff.

We have developed a poet laureate for our party in Harry C. Barnes, Supplee-Biddle Hardware Co., Philadelphia, who has produced a poem on Lake Louise, which is a delicate blending of emotion and humor.

Yours for the Canadian Rockies,

JOE.

June 27, 1921.

DEAR TOM: These Canadian cousins of ours know how to do things! At Winnipeg we were met by Gen-

eral Manager Detchon and President Clark of the Canadian Credit Men's Trust Association and were invited into a special reception room in the big hotel at the station and there welcomed briefly. Printed programs were handed us containing the words of the Star Spangled Banner, which, on the invitation of our hosts, we proceeded to sing.

It was then announced that any golf players would be welcomed immediately at the St. Charles Country Club, where we would all be expected at luncheon. A public stenographer was provided for us at the club. Our golf enthusiasts, already organized by J. O. Hobby, American Locomotive Co., N. Y., proceeded to the links while the rest of us were motored around Winnipeg, a great city which did not exist fifty years ago. The city has thirteen golf clubs; but there are scornful non-players in Winnipeg, who call the game "cow pasture pool."

S. C. Oxton, the Deputy Minister of Public Works, received the party at the Parliament Buildings. At the end of the drive each host and hostess took the visitors to their homes for a call, in order that we might get a taste of the home life of this city of homes.

W. N. Hardy, Brown Bros. & Co., N. Y., won the tournament with the low net score of 72; G. O. Vincent, New Orleans, had the low gross score. The other players were:

F. S. Sibley, Providence; I. L. Jones, Utica; J. O. Hobby, N. Y.; H. A. Clinkenbroomer, N. Y.; Miss Pouch, N. Y.; Edward Hiler, Passaic; I. B. Hopper, N. Y.; W. H. Pouch, N. Y.; F. H. Pouch, N. Y.; C. F. Puckhafer, N. Y.; and W. W. Armstrong, Philadelphia.

At the luncheon (presided over by President Douglas A. Clark, of Clark Bros. Co., wholesale stationers,) after singing "God Save the King," we listened to serious and interesting addresses by Sir James Aikins, K. C. B., K. C., the Lieut. Governor of Manitoba, who represented the King; The Honorable T. C. Morris, Premier of Manitoba; and His Worship Mayor E. Parnell, Mayor of Winnipeg.

Sir James, who is the head of the Bar Association of Canada, made the novel point that according to the ancient principle of primogeniture, established by English law, the United States is entitled as the eldest American son of the Mother country to the name America.

Messrs. Koelsch, Cross, Norvell and Orr spoke for us.

There were many expressions of the hope that the Canadian and American Associations of Credit

Men might be drawn even closer together in the future.

Vernon Morris of S. Groff and Sons was Chairman of the Transportation Committee. G. E. Rowed, of The National Drug and Chemical Co., was the Chairman of the Entertainment Committee. Kenneth Daviss of Gaults, Limited, Wholesale Dry Goods, was the Chairman of the Souvenir Committee, which looked after chocolates, cigars, literature, etc. Among our hosts were Chief Justice Harvey of Alberta; John Stovel of The Stovel Co., Ltd., President of the St. Charles Country Club; Mrs. Stovel; T. E. Howard, of Gaults, Ltd., Wholesale Dry Goods; Mrs. Howard; J. C. Brittain, the United States Consul at Winnipeg; Mrs. Brittain; and Mr. and Mrs. Henry Detchon.

Yours for Canada,

JOE.

## MINNESOTA

June 28, 1921.

DEAR TOM: We divided today between Minneapolis and St. Paul and felt as if we had got home again after a pleasant visit to a foreign country. We saw Minneapolis from automobiles and had a delightful luncheon at the Minneapolis Automobile Club, which is some miles out in the country. Those who made our visit so delightful included Gray Warren, Federal Reserve Bank, Minneapolis; Mr. and Mrs. John A. Gurley; Mr. and Mrs. P. R. MacMichael; Mr. and Mrs. J. N. Collins; Mr. and Mrs. L. M. Powell; Mr. and Mrs. J. M. Paul; Mr. and Mrs. C. E. Mann; and Messrs. F. G. Norton, M. C. Kelly, and W. O. Hawkins.

After our hosts had given each lady of the visiting party a fine box of candy, we left the Club and were motored to St. Paul, where we dined with our friends at the St. Paul Hotel. The St. Paul Committee in charge of the eastern delegates included Chairman C. F. Miller, Sanitary Food Mfg. Co.; George I. Ashton, Vice-Chairman, St. Paul Foundry Co.; F. H. Becker, Illinois Steel Warehouse Co.; George W. Ekstrand, Foot, Schulze & Co.; Gilbert Henry, Foley Bros. Grocery Co.; T. E. Reynolds, United Lead Co.; Victor Robinson and W. R. Olsen, Finch, Van Slyck & McConville; A. C. Thompson, Fairbanks, Morse & Co.; and W. H. Whitaker, W. S. Conrad Co.

Each of the ladies of the party received a beautiful box of candy from the Sanitary Food Mfg. Co. of St. Paul.

Yours for Minnesota,

JOE.



## A BRASS BAND AT BREAKFAST

June 29, 1921.

DEAR TOM: We thought we had had all the sensations possible, but while we were breakfasting on the train this morning, as the train pulled into Milwaukee, we looked out to find our Milwaukee hosts, headed by President Gordon M. Day, Day-Bergwall Co., on the job with a large and efficient brass band.

The committee in charge of our entertainment, which included a motor trip around the city, consisted of E. C. Hoe, Lewis-Leidersdorfer Co.; Carl G. Engleke, American Exchange Bank; W. D. Isham, Harley-Davidson Co., and James G. Romer, Secretary of the Milwaukee Association. The committeemen were ably assisted by Milton Wetzler, Gerlinger Elec. Steel Cast. Co.; Oscar Loeffler, Goll and Frank Co.; Richard Morawitz, The Morawitz Co.; H. L. Eisen, Landauer and Co.; Wm. Weiner, Phoenix Knitting Works; D. L. Sawyer, Mayer Boot and Shoe Co.; R. J. Dempsey, Weyenberg Co.; L. G. Proesch, Palmolive Co.; Al. Seidenspinner, Northern Furniture Co., Sheboygan; E. A. Belda, The Journal Co.; Robert Wittig, R. G. Dun & Co.; A. A. Rinker, The Bradstreet Co.; Miss Margaret Weiss, and Miss Rothstein, Western Garment Co.

A feeling of security was given us on our drive by the fact that the Federal Rubber Co. sent along a service car which followed us over the route.

At Chicago we had a few hours and this time were able to see Chicago on a business day. Secretary O'Keefe of the Chicago association met us at the train and I dropped in on his well organized office.

Walter C. Mitchell, Vice-President of George Frost Co., Boston, supplied Boston garters for the men of the party. The Palmolive Co., Milwaukee, the Royal Crown Soap Co., Ltd., Winnipeg, and the Milwaukee Lace Paper Co. were among those concerns who distributed samples of their product on our train.

Fred Gairing of the Stambaugh-Thompson, Youngstown, O., is crowding poet laureate Barnes on the Presidential Special. Gairing, on the last night of the trip, wrote a poem which expressed his gratitude at the opportunity of having made a great number of delightful friendships on this credit men's journey to San Francisco and home again.

## IN CONCLUSION

One of the oldest and most ob-servant members of the Association

summed up the whole Convention as follows:

"Considering business conditions and considering the distance of San Francisco from the greater part of our National membership, the Convention was a splendid success in its attendance and on its business and professional side. As to the entertainment features received by the delegates on the coast and elsewhere, the history of the Association since its foundation in 1896 has nothing to compare with it."

YOURS FOR THE NATIONAL ASSOCIATION OF CREDIT MEN. JOE.

## Paint and Varnish Credit Club

N. H. Somers, W. P. Fuller & Co., San Francisco, has been elected president; S. C. Rasmussen, Rasmussen & Co., Portland, vice-president, and G. E. Cole, The Sherwin-Williams Co., Emoryville, Cal.; secretary-treasurer of the Paint and Varnish Credit Club, which is composed of credit men of the paint, varnish and allied lines throughout the United States. These credit men are "organized for more effective co-operation in these lines, and for the correction of abuses in trade practices, as they relate to the credit department."

The Club has done excellent work since its organization in 1917 to bring together the paint and varnish credit men, all members of the National Association of Credit Men. At the San Francisco Convention this year a valuable group conference was held under the Chairmanship of C. D. Potter, Devoe & Reynolds Co., Inc., New York, Mr. Somers' predecessor as president of the Club.

In order that the report on business conditions and prospects submitted by this group to the Convention should be fully representative, Mr. Potter, before the Convention, sent to the entire membership of the Club the questionnaire that all trade groups were asked to answer. By this means the Paint and Varnish Conference report represented the opinion and experiences of more than forty paint and varnish credit men.

## VALUE OF TRADE GROUP CONFERENCES

Mr. Potter, like many other delegates who attended these groups and listened to the final report on conditions for various trades, as given on the last day of the Convention and printed in this issue of THE CREDIT MONTHLY, is enthusiastic over the trade group conference idea. He believes that it is of great value to those who attend the conferences and to the membership at large and that it can be developed to still greater usefulness.

## Charles D. Joyce

THE San Francisco convention of the Association was saddened by the announcement of the death of Charles D. Joyce, of Philadelphia, who had but a few years before presided over the Association's convention sessions and whose voice had frequently been heard in credit meetings all over the country.

Mr. Joyce's unusual abilities and qualities of leadership attracted the attention of everybody with whom he became associated. Always a believer in his trade association he was for years a force in the National Flavoring Extract Association and the American Spice Trade Association. He was a director of the latter and president of the former.

Though executive head of The A. Colburn Co., one of the oldest and largest importers and manufacturers of spices, his interest in the development of better credit conditions was as active as if credits had been the only responsibility of his busy life. He had been president of the Philadelphia Association of Credit Men, and later served the National Association as president for two terms.

Mr. Joyce had the rather rare distinction of being connected with but one business house during all his business career. He entered The A. Colburn Co. as an office boy and rose steadily in the estimation and confidence of his superiors, representing them in distant parts of the world, and finally became president of the company.

With the passing out from among us of such a true spirit as President Joyce, one of the Association's warmest supporters and truest counsellors is gone. No one can bring just those peculiar qualities to the Association which he brought—his was a personality so rare, his a sensitiveness of discernment so accurate and true.

## Ingenuity in Collections

Pittsburgh.—H. S. Keyser, secretary and manager of the Wolverine Supply and Mfg. Co., in a recent address to the Pittsburgh association, pointed out that present day business difficulties are not so much a question of credit as of collections. He said that in handling collections today the solution is the application of will, wisdom and activity in working up ingenious methods of getting the money. He told of sending "last letters of attention" to fifteen debtors by registered mail and receiving checks from twelve and definite promises from the other three. The present, he said, is a time for neither hasty action nor snap judgment, but a time to learn interdependence and exercise cooperation.

# Editorial

## Proposed Memorial to a Worker for Better Business Conditions

**T**O James G. Cannon, its second president, probably more than to any other one man, the National Association of Credit Men in its earliest years looked not only for guidance but for financial support: He believed in the Association's destiny and believed that it was a patriotic service to give the country an organization which would tend to create poise and stability in the national business structure.

Such a man naturally made many friends, and they have expressed the desire to see erected to him a suitable memorial which shall express appreciation of his services to better business. It has been thought particularly appropriate that the memorial be in the form of a ward in the great hospital which he found struggling against heavy financial burdens, and to which he gave his great business ability.

The Honorable William A. Prendergast, who, as second secretary of the National Association of Credit Men, worked with Mr. Cannon in those early association days, is chairman of the committee organized to enlist the interest of credit men and credit organizations in the accumulation of a generous fund which will insure the presentation to the Fifth Avenue Hospital, New York, of a ward dedicated to the memory of James Graham Cannon in grateful acknowledgment by credit men of the country of his high service to their profession and to American business.

## The Natural Laws of Business

**A**PPARENTLY it is easier for a man to gain mastery over material things and to progress in the field of mechanical processes than to secure a broad appreciation and acceptance of the laws and doctrines that apply to business. And yet, the advantages of improved mechanical processes, which should add much to the prosperity and comfort of all, are frequently nullified because men do not work in harmony with the natural laws that control business; they lose sight of the fact that every business transaction whether of worker or capitalist has an economic

significance and either contributes to or subtracts from the soundness of the business structure.

When neglect of these natural laws of business has proceeded about so far, men in their haste to escape the consequences call upon legislatures to enact remedial laws which take various forms but whose general effect is the bolstering up and supporting of an inflated and dangerous condition. Such legislation perhaps temporarily protects the interests of a class, but invariably at the expense of all other members of the community.

In the present readjustment period too much attention has been given by Congress to measures for which there would have been no call except for the neglect of sound business rules of conduct and the adoption of which can bring nothing but disappointment. It is a matter of substituting man-made laws for fundamental economic laws. The leaders of the nation, its teachers, its writers, its wisest men in business thought must do their utmost both to bring about a general acceptance of the natural laws of business. They must hold the government within its proper spheres of activity which are, to perform the ordinary functions of government and to facilitate and encourage sound industry for all the people.

## Fire Insurance Inquiries

**D**URING the rush of war business and of the inflation period following it, there was neither time nor disposition for public inquiries and investigations. Now we have many such inquiries. Conducted in the right spirit they should bring to the surface practices which were perhaps instituted for what seemed good reasons at the time but later became abuses or just causes of irritation.

Every business institution is but human. One would feel that there were something wrong with a committee of investigation, which, armed with sufficient inquisitorial authority, could not bring to light in any modern business, inherited conditions calling for some criticism. The unfortunate thing about many public inquiries is that they take the aspect of unfriendliness and censure, and thus lose constructive influence.

The last New York state legislature authorized a joint committee on housing. After dealing with contractors, labor leaders and others

connected with the building line, this committee directed its attention to the stock fire insurance companies and their methods of procedure as members of the New York Fire Insurance Exchange. Exposures, so-called, were flamed forth in the newspapers for a few days, but a close analysis of what was brought out would in no degree weaken confidence in the management and strength of the fire companies. The companies were found to have been steadily strengthening themselves against those extraordinary disasters which come without warning.

Practices begun for technical reasons which seemed proper at the time called forth the legislative committee's condemnation; but the attitude of insurance interests was made clear in the appointment of an underwriters' committee to consider the recommendations of the legislative committee, and, in other ways, evidence was given of a complete willingness to discontinue practices which could be construed as unfair.

The counsel of the committee, among other things, suggested that reserves for the protection of policy holders were too high, with the inference that large profits were being concealed through improperly kept books. He suggested that methods of rate-making were secret and dividends high. Naturally there will not be found a great deal of sympathy among credit men for the objection that too strong reserves for the protection of policy holders are being built up, for the importance of such reserves has frequently been called to the attention of credit men through conflagrations in which their customers suffered severely.

As to the charge of improper book-keeping, this would appear to be a direct criticism of the insurance officials of the State whose duty it is to supervise the insurance companies regularly. If there had been excessive profits in the business it would seem that this would have brought its own cure by the entry of a horde of new companies into the field. Records show, on the contrary, the retirement of a large number of companies.

Credit men are interested in lower rates, for low rates encourage proper insurance coverage. They have frequently taken an active part in demanding lower rates; but they recognize the debt that business owes to scientific rating schedules, such as



# Editorial

are devised and installed by insurance interests, and they know that the main hope of lowering rates is to be had in the application of such schedules and in better construction. They have steadily insisted that the most important factors in lowering rates are the elimination of fire breeding conditions and the introduction of more careful habits among property holders.

Whether or not dividends paid to stockholders of fire companies are too high, as newspaper accounts suggest, is a matter which would call for much study. Consideration would have to be given to such questions as capitalization—for it is said that many companies have a lower capitalization than they are entitled to, and the problem as to the extent to which the stockholders are entitled to better than the usual returns on account of the hazardous nature of the business.

The consideration of first importance is that the standing of the great insurance companies has not been impeached by the legislative inquiry referred to, and that such methods as were found open to fair criticism, the companies indicated a disposition to correct.

## Confidence in New Price Levels

**W**HEN are we to have a renewed business activity? How much longer must business move to and fro without definite trend? These are questions that men were attempting to answer a few months ago but are less willing now to try to answer. Of course business will not start forward as do runners at the crack of the pistol. First one line of business will get off, then another, until finally all have left the starting point. In fact, this process has already begun.

The difference in readiness is represented by degrees of confidence in price levels. All lines profit by the fact that there is confidence in underlying conditions; that the country is sound; that the chance of collapse has been long since left behind. But that other necessary element—confidence in price levels—has not been completely established. And yet, we must not be too slow in accepting with confidence the new price levels. In some lines the fall has been drastic enough; in most lines it has been great. To wait in the hope of carv-

ing out the last penny may well be unwise. We know that most speculators lose because they wait too long, are too anxious to get all the profit; when the turn comes quickly they lose out.

There is a demand simply awaiting the reestablishment of price confidence among the great buying public. It is for every merchant and manufacturer to do his part in helping to build up that public confidence. In those lines where the process of liquidation is still progressing and where there is still a wide range between present and pre-war prices it is far better not to make now a small cut and later another. This process disturbs confidence in business generally. It is better to do what can be done, even at the sacrifice of all immediate profits in order to place prices as nearly as possible in line with prices established in other lines, and therefore where confidence will be regained.

Confidence in prices will start the wheels going; it will result in liquidating our credits, frozen by reason of the fact that demand has ceased; it will help renew those productive processes which the world so sorely needs; it will hasten the accumulation of that new capital which is to replace the vast capital accumulations destroyed during the war period.

## Commercial Crooks

**T**HE very boldness with which the commercial crook does his work is disarming. He is apt to carry about him the air of success. He is not mentally deficient and is not particularly hard looking, as ordinary crooks usually are. He has, apparently, the ability to succeed in an honest calling.

These commercial crooks are different from the ordinary crook only because men think of them as different. Men think of them as being without that moral turpitude which we associate with the low crook of the streets and dens. Neither law nor courts, nor public puts them in the same class.

Is the National Association of Credit Men wrong in demanding that this differentiation shall disappear, and that the man who deliberately sets out to steal hundreds of thousands of dollars of merchandise, taking advantage of the mechanism of the credit systems, shall receive punishment that measures up to that of

the crook who commits robbery, larceny or burglary?

We admit that credit men are often careless in shipping merchandise out of their warehouse, that they take too much for granted. Again and again come up cases of large shipments to buyers who have appropriated a well rated name. Often these buyers established their buying office in a large city and call personally to look over lines and place orders; they do not even conceal themselves behind letters sent from the city where the well rated merchant is located. They operate so boldly that the credit manager is sometimes completely disarmed and grants many times the credit he would on orders sent by mail.

This form of crookedness—the assuming of the name of a good merchant—is so old that it should never succeed. But quite apart from that point every member should help the Association build up a public opinion that will place the commercial crook in his proper category.

## Record of 1921 Convention

**S**EVERAL important addresses and sixteen committee reports at the Annual Convention of the National Association of Credit Men, June 14 to 17, at San Francisco have already been printed in *THE CREDIT MONTHLY*. Further material on the Convention appears in this number. A verbatim record of the Convention proceedings is being prepared and will be printed in pamphlet form and supplied to members at \$1.25 a copy.

## New Manager of National Adjustment Department

**C.** H. WOODWORTH has been appointed manager of the Adjustment Department of the National Association of Credit Men. He is highly qualified for this important position by reason of his long service with the Adjustment Department of the Kansas City Association of Credit Men.

## "American Credit Men's Association"

**T**HE National Association of Credit Men has found it necessary again to state that the so-called "American Credit Men's Association" of Philadelphia has no connection or affiliation with the National Association of Credit Men.



## Declining Cost of Living—Its Relations to Wage Adjustments

By Jean Le Blanc

CHANGES IN COST OF LIVING IN THE UNITED STATES  
1913 to May, 1921—Bureau of Labor Statistics  
CHANGES IN COST OF LIVING IN THE UNITED STATES

Item of expenditure.	Per cent. total of ex- pend- ture.	Per cent. of increase from 1913 (average) to									
		Dec. 1914.	Dec. 1915.	Dec. 1916.	Dec. 1917.	Dec. 1918.	June 1919.	Dec. 1919.	June 1920.	Dec. 1920.	May 1921.
Food .....	38.2	5.0	5.0	26.0	57.0	87.0	84.0	97.0	119.0	78.0	44.7
Clothing .....	16.6	1.0	4.7	20.0	49.1	105.3	114.5	168.7	187.5	158.5	122.6
Housing .....	13.4	**	1.5	2.3	.1	9.2	14.2	25.3	34.9	51.1	50.0
Fuel and light .....	5.3	1.0	1.0	8.4	24.1	47.9	45.6	56.8	71.9	94.9	81.6
Furniture and fur- nishings .....	5.1	4.0	10.6	27.8	50.6	113.6	125.1	163.5	192.7	185.4	147.7
Miscellaneous .....	21.3	3.0	7.4	13.5	40.5	65.8	73.2	90.2	101.4	108.2	108.8
Total .....	100.0	3.0	5.1	18.3	42.4	74.4	77.3	99.3	116.5	100.4	80.4

\*\* No change.

SINCE labor costs are admittedly the major portion of the cost of commodities, the reduction in the cost of commodities is largely dependent on a reduction of labor costs. A reduction of labor costs is largely dependent on a reduction of the rate of wages. A reduction of the rate of wages, however, is in the United States and other industrial countries largely dependent on the reduction of the cost of living. This bare statement of the case, though perhaps inadequate and in need of reservations, finds fairly general acceptance. It brings out clearly the practical problem that confronts American industry in its readjustment to new conditions, namely, the problem of readjusting wages to changes in living costs.

We may agree with the resolutions of the American Federation of Labor at Denver, which condemn the principle of readjusting wages to conform with the changes of the index number of the cost of living (such readjustments, if carried out logically, would, while protecting the wage earner from lower *real* wages, and thus never lowering his living standard, condemn him forever to his present *real* wages and hence preclude all improvement and betterment in his standard of living); or we may believe that the market conditions of labor, the question of supply and demand, should be the sole determinant of the rate of wages and that the question of the social welfare of the worker may be trusted to work itself out satisfactorily on this basis. Whatever may be our social philosophy, the fact remains that a large and growing number of employers and workers in organized and even unorganized industry consider

the question of *wages in relation to living costs* and consider the reduction of wages in a time of deflation in more or less definite relation to the reduction of living costs.

Agreements between employers and workers in many industries incorporate this adjustment of wages to living costs. The cost of living figures issued by the Bureau of Labor Statistics are the standard figures for many of these adjustments and their regular appearance is awaited with keen interest by employers and workers. Appreciating the necessity of timeliness in such figures, the Commissioner of Labor, Ethelbert Stewart, has arranged to have them published at least three times a year instead of twice, as heretofore.

COST OF LIVING DOWN 17 PER CENT

### IN MAY

The table herewith brings the figures down to May, 1921. This table shows that the cost of living for the United States (based on the figures for thirty-two cities) was in May, 1921 still 80.4 per cent above the figures for 1913. The figures for June, 1920 were 116.5 per cent above the figures for 1913. The reduction in percentage for the cost of living of the Bureau's *peak* figures is thus 36.1 points or 16.7 per cent. In other words, the index number of the cost of living was in May, 1921 180.4 per cent as against 216.5 per cent for June, 1920. The percentage reduction is, of course, calculated from the high base. The percentage equals the percentage of 36.1 to 216.5.

### COMMENT ON THE TABLE

The figures in the table show clearly the disturbed relationship in

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prices. While food, the largest item in the workers' living budget, is *relatively* low, other items that bulk large in his living costs are still high. These figures compare unfavorably with the prices of raw materials and of any wholesale commodities which are now back at the 1913 level or at least near it. It must be remembered that the commodities which the worker purchases are commodities at retail prices and there is always a lag in reduction of prices from raw materials to commodities at retail. To what extent that lag is natural and to what extent it is, if not economically unjustifiable, at least socially unjustifiable and economically unwise, is of course, impossible to determine. A readjustment of retail prices in line with manufacturers' prices would certainly cut down perceptibly the present difference between the prices of raw materials and of wholesale commodities on the one hand and retail prices on the other, and would accelerate the reduction in the workingman's budget.

### HOUSING

The most disturbing phenomenon in the cost of living items is the housing item. In May, 1921 housing costs were higher than in December, 1920. The May figures are in all probability the highest figures that this item will show. Next to food, the expenditure for housing is the largest item in a workingman's budget. Moreover, there is something inexorable and inevitable about rent. A man may postpone some household purchases, may save something on his clothing by patching his old clothes, may postpone the payment of doctors' or dentists' or other bills, but rent goes on month by month and non-payment means eviction. A reduction in housing costs would accelerate greatly the downward movement of living costs and remove the strongest single resistance to wage reductions.

The responsibility for the hastening of that reduction rests upon many economic factors in the community. Lower prices for building materials, lower wages and greater efficiency in building trades labor, lower freight rates (for freight rates are a relatively large percentage of costs in lumber, brick, cement, steel, etc.), and cheaper money rates are prerequisite to more building and to lower housing costs. The sooner these conditions obtain, the smoother will be the readjustment and the sooner will the purchasing power of the community be normalized and the way prepared for improved business conditions.

# The Keystone of Cooperation

## Fitted Into Credit Arch Is Great Service of Association

By J. H. Tregoe

Annual Report as Sec.-Treas. National Association of Credit Men

**T**O present to the Annual Convention a story of the year's activities of the National Association of Credit Men, comprehensively yet briefly would be extremely difficult. At previous conventions I have felt that I could report substantial progress, pointing out quite explicitly wherein progress had been especially marked, but so many big things occurred during the past year that brought out the potential powers and service abilities of the Association, that I find it most difficult to present a story of the year that would portray with sufficient vividness its most significant and important events. To simplify my report and to make it as comprehensive as the circumstances permit, I shall proceed by subject headings.

### SCOPE OF THE WORK

The building up of potential powers progressively and uninterruptedly through a period of a quarter of a century is the great good fortune of the National Association of Credit Men. Founded as it was on fundamentally sound ideas and in a period of credit stress, the traditions and policies of its founders have been justified in wisdom and have given the Association a peculiarly fitting place in the nation's commercial affairs and a necessary work to do. Fixing the keystone of cooperation to the credit arch was one of the most inspired accomplishments of the Association. Built upon this arch there has arisen a domestic and international commerce of wonderful proportions such as would not have been possible under credit conditions of a quarter of a century ago.

There has been a constant broadening of the Association's vision. There has been a growing recognition of the fact that many of the nation's economic problems are directly related to its credit welfare and therefore fall within the original and well conceived designs of the Association.

Through the period of depression which our work of the past year paralleled, the various departments of the Association have been on the alert and have had conditions under the closest observation. We had foreseen in May, 1920, when commodity and labor prices had reached

an unprecedented peak, that a turn downward was inevitable and our anxiety was that the new movement should be as orderly and controlled as possible.

The nation has shown in the past two years an economic illiteracy. To correct this defect and cultivate a proper understanding of fundamental economic laws in business is one of the chief objectives of the Association. Its counsels have been given fearlessly, directly and conscientiously to this end. As a steady force its ideas have largely been fulfilled in the co-operation of creditors for the saving of deserving merchants from insolvency in the rapid decline of commodity prices. Its watchfulness has been untiring whenever attack was made on the Federal Reserve System for the Association saw how great was the stabilizing force of that institution and how important it was that the people's confidence in it should never falter. The whole nation in its domestic and international affairs in the commercial field has been made a constant study. Nothing has been too burdensome for the Association to undertake when there was service to be rendered. Nothing was impossible when the difficulties appeared unsurmountable in the handling of serious credit situations. There has been sound preaching and fearless action in all of the Association's departments without reserve, without prejudice and with no ambition but to assist substantially in the restoring of confidence and prosperity.

### MECHANISM OF THE ASSOCIATION

The rapid increase of membership in recent years was a most gratifying tribute to the position and influence of the Association, but aside from this the extensive membership campaigns produced problems in the local and national mechanisms. In solving these problems no opportunity was lost to make each unit attain its best possible strength and to co-ordinate its efforts successfully with other units and the National body. Many local associations have been shown deficiencies in their organization, for too often they are not sufficiently knit together, are not fully alert to

their possibilities and fail to appreciate fully what a well organized and successfully conducted Association of Credit Men can accomplish. Despite this reflection we must in justice to all express the belief that some advancement has been shown in the mechanism of many local associations during the year and in the programs they have established for their activities. The so-called Advisory Council organized at this important time, is studying this subject. Its work should be helpful in building up the facilities of local associations and binding them in the closest bonds to one another and to the National Association. There is a big field for organization improvement within the Association and I point this out with special emphasis so that in the coming year, careful study will be devoted to this subject and more advancement shown than heretofore in the organization and activities of the associations, separately and as a whole.

### DEPARTMENTS OF THE ASSOCIATION

An experiment in a number of the important departments has proved successful and offers encouragement for further improvement. The committees of the National Association, as organized under the Constitution and By-Laws, experience difficulty in functioning effectually. It is impossible for these committees, owing to the geographical distance separating the various units, to meet. To overcome this defect and to give elasticity to the work of the committees which were handling problems of special importance during the year, executive committees were organized, most of which met at regular intervals in the National office. It was found that a smaller body carefully selected and functioning frequently, drawn from different types of businesses and distributed geographically as widely as was feasible, supplied what had been missing previously in the various departments. Right here we would mention especially the splendid work done by the executive committees of the Banking and Currency Department, the Credit Cooperation and Credit Methods Department, the Bankruptcy Law Department, the Membership Department, the Mer-



cantile Agency Service Department, the Business Service Department, the Credit Education Department and the Foreign Credit Department. All these committees met at frequent intervals in the National office and considered imminent and important subjects relating to their special work. Likewise an executive committee for the Business Meetings Department met in Indianapolis at the home of the committee's chairman and rendered useful service. The Supervisory Committees of the Credit Interchange Bureau Department and the Adjustment Bureau Department met in Chicago and did useful work in formulating sound plans and policies for their respective departments. The Credit Defense Council also met on several occasions during the year in the National office and under the able direction of its chairman scanned carefully the credit field and offered pronouncements that proved exceedingly accurate and we believe helpful and guiding to the commercial public. The Committee on Transportation opened up an unprecedented field of effort for the Association which proved extremely interesting. The last named committee met frequently in New York and studied transportation conditions in their relation to commercial credit. The conclusions of the committee were given wide publicity and its organization was fully justified. The Committee on the Policies and Operations of the Federal Reserve System comprising as it did one member in each of the Federal Reserve districts was not able to meet, but conducted its work by correspondence and reached in this way interesting conclusions and made valuable recommendations.

In order to secure the closest cooperation between each of the leading committees and the National office, a member of the National office staff was assigned as liaison secretary to each committee. This plan has yielded very satisfactory results.

#### ADMINISTRATIVE COMMITTEE

I have preferred to give a special paragraph to the operations of the Administrative Committee organized in accordance with the new Constitution and By-Laws of the National Association. The expansion of the work with many important and difficult problems constantly arising has justified the provision of a committee that could meet frequently in the National office and counsel with the Secretary-Treasurer. The painstaking way in which the Administrative Committee approached and conducted its work was of immense

value to the National office and to the Secretary-Treasurer in the handling of difficult problems, in planning the year's activities and watching closely the income and disbursements. Its work will be of growing value. Its usefulness will be more and more demonstrated as the increasingly great as the National Association continues to expand. The selection of its members should always be a subject calling for the utmost care.

#### DEPARTMENTS OF THE NATIONAL OFFICE

Recognizing that it was impossible to conduct the National office as it had been in former years, it was decided to divide the responsibilities and organize separate departments under the care of competent directors. The plan has proved its wisdom and alone enabled the Association to accomplish what it has during the year.

William W. Orr, assistant secretary and especially in charge of the Publications Department, with Rodman Gilder, managing editor of *THE CREDIT MONTHLY*, have shown peculiar adaptability for the Association's service. I am sure all will agree that they have produced in the *MONTHLY* a journal of high merit which will continue to help build up the Association and increase its standing in the business world. The work entrusted to them has been well done, and I am happy to extend them this word of appreciation in which I am quite certain the entire membership will join with me.

Charles D. West, in charge of the Investigation and Prosecution Department, has been exceedingly zealous in its service and proved himself a most capable manager. I have enjoyed with him a close personal contact and it is a pleasure to say to this convention that the department under his management has developed rapidly and become one of the most useful under the Association. We owe him many thanks for his skill and devotion.

Dr. John Whyte, in charge of the Credit Education and Credit Research Departments, has become an excellent assistant in carrying out special plans which your secretary-treasurer has long had, especially in the way of Credit Research. The published conclusions he has presented in matters of practical economics have been widely quoted and given the Association a new place in business opinion. The Credit Education Department has not expanded as we had expected but there were difficulties to be overcome. We believe in future years local chapters of the National Institute of Credit will be organized rapidly and become a

distinctive feature of local association activities. In addition to research and educational work, Dr. Whyte has ably assisted the Federal Tax Committee in its important work and assisted in preparing its statements for publication.

A. A. Mowbray, in charge of the Membership and Public Information Departments, who is new to the work, was installed last November. He has taken to his tasks splendidly and been a faithful and valuable assistant of the Secretary-Treasurer. The Association has received wide publicity in response to Mr. Mowbray's efforts. He has devoted close attention to membership affairs.

B. B. Tregoe, in charge of the Foreign Credit Department, has studied closely the phases of this difficult department and manifested a great deal of skill in the accumulation of useful information on foreign credit conditions and in managing the Foreign Credit Interchange Bureau which is being recognized more and more as one of the most valuable channels for getting dependable information upon which to extend foreign credits.

The staff of the National office has been throughout the year well balanced, alert, faithful and responsive. Indeed, we have a most happy office family with a constant emphasis on the important part each member is playing in the Association's affairs and the need of conscientious effort and attention on the part of every one. I feel especially pleased to speak in these terms of the young men and women who have responded so well to our demands and are manifesting the finest qualities.

#### SPECIAL MENTION

I have reserved for this paragraph reference to the Federal Tax Committee which under the direction of its chairman, R. G. Elliott, of Chicago, has done a most intelligent piece of work in studying the intricate problems of federal taxation. The recommendations of the committee may not accord with the views of all. That would be too much to expect. The committee has, however, been exceedingly just and broad in reaching its conclusions and no one can dispute the soundness of its ideas even though he may question their expediency. This committee has exerted a fine influence on other organizations by its thorough and unprejudiced study of federal taxation and shown business men that they have no right not to give the subject their most careful, studious and profound attention.

#### CENTRAL CREDIT INTERCHANGE

The Central Credit Interchange Bureau, under the management of E. B. Moran, and located in St. Louis, has made good strides during the



year. Mr. Moran has been most earnest in his work. He has left nothing undone to promote the welfare of the Bureau, and I am convinced that when all the local Bureaus become affiliated with the Central Bureau and are incorporated into the national plan, we shall present to the nation the best medium for the clearance of credit information that has ever been devised and worked out. There should be a hearty support throughout the entire organization for this great instrument of credit service. I have great confidence in its future.

#### FOREIGN CREDIT INTERCHANGE

The Foreign Credit Interchange Bureau attached to the National office has also made good strides and won the confidence of a number of the leading exporters of the country. Under the direction of D. S. White, its work has been well done and a service is being rendered of an exceptional character, without duplicating the work of other bureaus. This Bureau was organized exclusively as a service to exporters. Its original ideas have expanded and there is now being utilized in this department a great deal of the comprehensive experience which the Association has built up through years in the domestic credit field.

#### CONCLUSION

We feel a sense of sincere thankfulness to the many who have made the year so significant and successful. Every department of the Association is in fine order. Susceptible to further development, we are glad to believe that not many years will pass before the ideals of the Association will fasten themselves into the very life of the nation and we shall be recognized as promoters of the very highest and biggest things in the nation's commerce. Here is an object worthy of our supreme efforts. We can look upon sordid things as productive perhaps of immediate profits, but we know in the long run that fairness and honesty will tell. The qualities of a real religion in business are the qualities we advocate and for which we shall patiently strive. The name of America's business man must typify always the highest commercial qualities and stand for something that can always be relied upon for the faithful and generous performance of contracts. This is the goal upon which we must fix our eyes.

The local associations have been kind to the Secretary-Treasurer in all of his efforts, especially during the period of his visits. The state conferences, twenty-two in all, were more successful than ever, and are a feature which the Association must always endorse and support.

Our retiring president, Mr. Koelsch, has been a splendid figure in the year's activities. The firmness and soundness of his counsel, his deep interest in Association matters, his unflinching optimism, the geniality of his temperament, have had their effect upon the entire organization. He has been a tower of strength and encouragement. No companionship of the Secretary-Treasurer's life has been more enjoyed than the year's companionship with him. It is pleasant to offer this expression of appreciation and to record in the annals of the Association another administration of the highest type in character and usefulness.

So many ideas and thoughts come rushing in as this report is written that I fear its length might be unendurable and that it were better with the presentation of the foregoing facts and expressions to close with a word of genuine thanks to every one who has contributed to the success of the year, and who has felt a deep and lasting interest in the welfare and purposes of the Association. Opportunities confront us, possibilities lie around us on every side. May the vision be sufficiently strong and broad to encourage and direct our efforts so that the abiding principle of the Association shall be "To Serve."

### New Credit Clubs

*By Arnold A. Mowbray*

Mgr., Membership Dept. National Association of Credit Men

**D**URING the summer our members have more time to give to association work and prospective members also have more time to give to considering our proposition. All members are urged to take up at their early convenience the idea of starting Credit Clubs in nearby communities. Circulars giving information about the Credit Club idea will be furnished by the National office upon request.

During the present season many new membership chairmen are being appointed. We welcome with open arms these new volunteer workers into our ranks. There is no position in the association of more importance than that of chairman of this vital committee. Our task is to get the members and then rely upon the officers, committees and service departments to retain them. Every local association should have a Holding Committee whose chief duty it is to induce members to attend meetings and take an active interest in the work of the association. If every member takes an interest in the work of the association the resig-

nations will be very few. The Holding Committee should get after those members who do not attend meetings regularly. Lack of interest precedes resignations.

Just because the vacation season is here is no excuse for a let-up in the activities of the Membership Committee. Now is the time to start your work. First, organize your committee. Have as many young men on it as possible. Second, prepare a list of prospects. Third, invite them into our association. Later on in the year you may be too busy to give much time to this work. Remember, our associations function every month in the year.

Disregarding the orders of his physician, a certain well known membership worker got up from a sick bed, procured a pair of crutches and went out after new members whose application he secured. This man was one of the winners to whom was awarded a solid gold watch fob. And yet there are lots of able bodied members who are too busy to obtain one new application. Actions of this character are inspiring.

It is interesting to note that since Mrs. N. M. Sifford became executive secretary of the Charlotte Association of Credit Men that that organization has set a new record. That association won one of the membership prizes and made a better showing than any other branch in the country. Mrs. Sifford has made a greater record than many of our men secretaries.

### Bankers' Night at Syracuse

*Syracuse.*—The Syracuse Association held the largest meeting of the year for their bankers' night, when G. E. Chapin, of the Federal Reserve Bank of New York, spoke on "Present Credit Conditions." One hundred officers and employees of local financial institutions joined with the Syracuse Credit Men in a greeting to Mr. Chapin.

When we overeat, we become sick, said Mr. Chapin, and the country in the past four years has been submitting to the crime of overeating. And the difficulty is that we have not only in the process been destroying credit, but have been destroying capital; for in recent years credit has come to be regarded as capital and made to do capital's work. The time has come to conduct business on sound and wholesome lines, he declared. Business is not good, but it is better than it was, and improvement is being shown along all lines, and with the country provided with diversified industries the outlook for the future is encouraging.

Another speaker was L. E. Chandler, of the Merchants' National Bank, Buffalo, who discussed "Bank Credits from a Commercial Point of View." He praised the customer who individually keeps a close acquaintance with his banker and does not delegate his banking business to clerks. The business man will profit immensely, he said, by visiting his bank at times other than when he wants a loan.

# Foreign Exchange Situation

## How Fluctuations and Depreciated Values Hamper Trade

By Benjamin B. Tregoe

Mgr., Foreign Trade Dept., National Association of Credit Men

THE undisputed fact that domestic prosperity is directly dependent upon the healthy and normal condition of foreign trade should dispel the belief generally entertained that matters pertaining to international commerce interest only the actual foreign shipper, the banks or other organizations whose interests lie directly in foreign fields. Every broad-minded, clear-thinking and unprejudiced business man and banker in the country should at least keep his finger on the pulse of world commerce by acquainting himself with the various phases of the export situation.

A large convention of representative manufacturing interests throughout this country declared recently that one of the chief deterrent factors to which the present precipitate decline in our total exports and imports could be largely attributed was depreciation and wide fluctuation in exchange values of practically all foreign countries.

In view of the importance attached to foreign exchange, therefore, it may be well to attempt to look inside this piece of financing machinery and to see what makes the wheels go around and what forces are at work at the present time to slow down the action.

### WHAT IS FOREIGN EXCHANGE?

First of all, what is foreign exchange? To use a simple definition, we may say that foreign exchange is a means or medium of international payment, or, in general terms, a system used by the world for liquidating its obligations. Under normal conditions, international exchange is an unusually effective and efficient piece of machinery, frictionless to the point of needing little or no attention, with an operation virtually automatic and self-remedial. To cite a practical example of its operation in normal times, at certain periods during the year there may be large seasonal shipments of grain from this country to England which cause an accumulation of bills on London in this country of such volume that the supply is in excess of the demand. The fall in sterling, which tends subsequently and logically to follow such a condition, is immediately counteracted by a flow of gold from Great Britain sufficient to buy up the surplus bills. From

this it is seen that—except in unusual circumstances resulting from such abnormal or subnormal period conditions as the present ones—foreign exchange is a comparatively stable and safe piece of financial mechanism.

Dating from the crisis of 1914, and continuing throughout the war until the present time, conditions have been such in different foreign countries that it has been deemed necessary to introduce various forms of restrictions on the movements of gold or commodities which have interfered to a large degree with the normal functions of foreign exchange. In many countries, particularly those hardest hit by the war, the gold surplus has been reduced to a minimum, and large issues of paper currency have been floated, with a subsequent inflation of money values. Gold, which in pre-war times was a stabilizing medium of exchange, has been, for the time being, virtually abandoned for use as a stabilizing medium.

These restrictions, together with many other conditions, have influenced the operation of foreign exchange, and have led to numerous and varied complications and problems, the solution of which has yet to be accomplished.

### EXCHANGE FLUCTUATIONS HAMPER

#### FOREIGN TRADE

Though a large part of the impediment to exports is no doubt directly attributable to *depreciated exchange values* and a consequent inability to buy on the part of foreign merchants, another factor of significant importance as an obstacle to the American exporter is the violent and continuing *fluctuations of exchange rates*. The conservative exporter doing a legitimate foreign business is not a speculator and has no desire and cannot afford to be one. When he sells a bill of goods to a foreign country and draws a draft in the monetary standard of that country, figuring the current rate of exchange, and finds that when the draft has reached maturity the exchange value has fallen, in all probability he has dissipated his entire profit, and may even have to take a loss. He has the alternative of buying dollars, but in a few countries, such as Australia, a dollar draft is not acceptable as a general rule. He must either

draw in pounds sterling, as in the case of Australia at the present time, or protect himself by buying a future, which in a number of instances is very difficult to obtain. This illustrates the serious effect of exchange fluctuations. Even though foreign exchange rates remained at depreciated values, if rates were stable and the fluctuations small, a great burden would be lifted from the shoulders of foreign trade.

Fluctuations at the present time are due to a number of causes, of which the following are of great importance: (1) There is the natural fluctuation of seasonal or periodical origin. (2) A decided influence on foreign exchange values that causes wide fluctuations is the widespread speculation, of comparatively recent date, in currency which has sprung up. Large quantities of the currency of many countries are held by people outside of the country, and there is always present a danger of these holdings being dumped on the market at the least hint of political or economic disturbances, with a subsequent sharp fall in exchange. (3) The great number of political changes that have occurred in the past few years in various countries have also contributed in no small degree to fluctuations in exchange values.

#### PURCHASING POWER RATIOS

There is one fundamental point which has been frequently misunderstood and surrounded by a cloud of doubt. A great many people are inclined to retain in their mind's eye, so far as European countries are concerned, the pre-war parity of currencies of the various commercial nations. For instance, in the case of France, this would be 19.3, the pre-war value of the franc. The present quotation on the franc, which for purposes of illustration we will say is 8.5, suggests to such people great danger of the dumping of goods in this country, made possible by the exchange advantage of foreign exporters, and, in addition to this, possible wide and disastrous fluctuations. These dangers, although well founded, are much less serious than they seem at first glance. Gustav Cassel, the famous Swedish economist, maintains that the determining factor which normally fixes exchange between countries is the



*purchasing power ratio of their respective currencies.* In virtually all countries, therefore, particularly the belligerent ones, pre-war mint parities may, at least for the present, be laid aside as obsolete and a new parity adopted, based upon general price levels and a comparison of purchasing power of currencies. In the case of the franc, the 19.3 par value figure may be temporarily forgotten and a parity figure adopted based upon purchasing power.

For example, in early December, 1920, the French franc was quoted at 6.3. At the same time the purchasing power parity, as computed from index figures, was 8.3. It can be readily seen, therefore, that the under-valuation of the franc was two cents, and not thirteen cents, as might be believed by subtracting the exchange rate from 19.3, the standard parity. To illustrate: assume that a man purchased 100 francs in this country at that time for \$6.30, which was the current exchange rate. He then went to France, and instead of being able to buy \$19.30 worth of merchandise or service, his 100 francs only bought \$8.30 worth, which was the purchasing power or price level parity. Thus it can be readily seen that the advantage offered manufacturers and exporters in depreciated exchange countries is much less than is commonly supposed by superficial observers.

During the war, in a number of countries, currency was overvalued in comparison with United States dollars. This was caused by the bolstering or "pegging" of exchange by means of war financing measures. The removal of this artificial support naturally precipitated a drop in exchange values which caused them to fall below purchasing power parities. What renders the computing of exchange values an involved and complicated process at the present time is the fact that the parity value is in itself not fixed, but is an unstable factor and subject to fluctuations and changes. Such changes are usually attributable to inflation of currency by new issues of paper, or, on the other hand, on account of deflation caused by the calling in of old issues. Other factors such as political unrest and economic disturbances also contribute to such variations.

#### BALANCE OF TRADE

An adverse trade balance is generally regarded as being directly responsible for depreciated exchange; but on closer examination it is seen that other factors play a more prominent part in governing these exchange values. Dr. H. A. E. Chandler, economist of the National Bank of Commerce, points this out in a

recent article, in which he says:

"Superficially this depreciation may be explained in part by the accumulation of large adverse trade balances that result in throwing upon the market a larger number of foreign bills than Americans require for the payment for their imports. In most cases, however, the underlying cause is to be found in a long series of trade restrictions and other obstacles to the free outflow of goods and other values, or to obstacles to their importation into other countries."

For example, should the Government of Argentina, whose gold surplus happens to be exceptionally large, remove, or partly remove, the present restriction on the exportation of this metal, such action, it is generally conceded, would provide the necessary impetus for a righting or stabilizing of exchange.

To sum up: Although the trade balance and other factors affect the quotation of exchange, yet action taken by Governments in impeding its normal, self-curative function, is the most potent and direct pressure which is exerted in forcing exchange values below purchasing power parities in those countries where such under-valuation of currency exists.

Recognizing and enumerating the disturbing factors in the present exchange situation is easier than removing them. As yet little success has attended the exhaustive efforts of governments and of private enterprises in applying a remedy that will bring exchange conditions back to normal.

#### Bridging the Foreign Trade Chasm

*Chicago.*—In calling to order the recent foreign trade meeting (addressed by Frank H. Sisson and Hon. W. C. Redfield) held by the Chicago association, F. D. Rock, Armour & Co., chairman of the Foreign Credits Committee, said:

"This meeting, held under the auspices of the Foreign Credits Committee of the Chicago Association of Credit Men, is the first function of this character which has been undertaken. As chairman of that committee, and in behalf of it, let me say that we are extremely gratified at the generous response to the call for this meeting. It indicates your appreciation of and interest in the importance of the meeting, and I think it presages a program which will be interesting for the future, under the auspices of that committee."

"I cannot adequately express our appreciation of the splendid encouragement and support given through the co-operation of the Illinois Manufacturers' Association, the Chicago Association of Commerce, and the Chicago Association of Credit Men, which have helped to make this occasion the success that it is."

"To me, there is in such co-operation a splendid omen, for I am impressed with the belief that if we are to work out successfully the many serious problems that will confront us in the readjustment of our economic conditions here, we must have a better, a closer and more harmonious co-operation between the manufacturing, sales and credit divisions in business."

"World conditions of today and the seriousness of the many problems that confront us are of the utmost, in fact, vital, importance to the manufacturer, the producer, the merchant, the banker, and last but not least, the credit man."

"At the outbreak of the war we were a debtor nation, and now we find ourselves creditors of all the world, and yet we are confronted with a stagnation in commerce and industry, and economic and social conditions resulting therefrom, that are unprecedented. We have a superabundance in this country of what Europe is in crying need of. The problem is, how to bridge that chasm. Verily, in the past few years we have sown the wind and have reaped the whirlwind. Production was speeded up to the utmost power and everyone was thinking and working at high tension and high pressure."

"If credit is the lifeblood of commerce, then may we not understand that we passed through a stage or condition of exceedingly high blood pressure and are now suffering from the relapse to a sub-normal pressure, and perhaps possible danger of arterial sclerosis. Business is sick, and your Foreign Credits Committee is happy in being able to present to you tonight the voluntary services of two distinguished doctors of economics, one of whom is going to present a diagnosis of the case, in a comprehensive manner, and the other, I think, will offer a prognosis and suggest a good remedy."

#### Huntington Suffers Loss

*Huntington.*—In the death of W. W. Magoon, secretary-treasurer of the Blue Jay Manufacturing Company, and for two years secretary of the Huntington association, the organization has sustained a severe loss. Secretary Magoon was an efficient and conscientious officer of the association and was chairman of the very active membership committee.

#### N. Y. Association's Loss

*New York.*—The New York Credit Men's Association has lost one of its leading members through the death of Frederick W. Bauer, a member of the Executive Committee and chairman of the Mercantile Committee of the association. In fact, for the past nine years Mr. Bauer has been a member of one or the other standing committee of the association and has always been faithful in his service.

Mr. Bauer was assistant treasurer of Judkins & McCormick, wholesale millinery. His long credit experience in New York has been largely in connection with prominent textile houses. He was a graduate of the College of the City of N. Y.

#### Late Secretary Petersberger

*Davenport.*—President Fred L. Ray of the Davenport Association transmits the sad news of the death of Isaac Petersberger, the beloved secretary of the Tri-City Credit Men's Association for many years. Of him George Noth says: "I have been associated very closely with Mr. Petersberger through the workings of the Credit Men's Association for fifteen years. I have always considered him one of the finest characters I ever knew. He was not only a firm believer in but at all times practiced the Golden Rule. The community has suffered a great loss in his death. I know that the jobbing interests of the tri-cities, through the Tri-City Credit Men's Association, will miss him greatly. I feel his loss very keenly."

Harry Betty, of Betty & Betty, attorneys, Davenport, has been appointed successor to the late secretary.



# News From Credit Men's Associations

## Speakers With Something To Say

**Albany.**—Francis B. Purdie, newly elected president of the Albany association, working with his Business Meetings Committee, is arranging a program for the coming season which should increase the effectiveness of this already active organization of credit grantors. Mr. Purdie believes in having speakers who are not only entertaining but can speak from experience in their line. He also believes in local meetings of credit men which bring out broad discussions, such as are produced by the State credit men's conferences.

## Two Great Rules of Health

**Asheville.**—(1) Moderation in all things and (2) physical exercise are the two great rules of health that a man must obey if he is to keep his vigor at sixty instead of feeling it begin to diminish at forty. This is the theme of a small book written by Dr. Robert S. Carrol, medical director of the Highland Hospital, Asheville, N. C.

## W. L. Percy, President

**Atlanta.**—"The reparations question has more bearing on the business situation of the world than any other one factor at the present time," said Robert L. Maddox, president of the Atlanta National Bank, in an interesting address at the Annual Meeting and banquet of the Atlanta association at the Piedmont Hotel.

At this meeting, William L. Percy, president of Dobbs & Wey, was elected president of the association. He succeeds H. S. Collinsworth. Other officers elected were H. E. Moody, R. M. Hollingshead Co., first vice-pres.; Hatton Rogers, vice-pres. Fourth National Bank, second vice-pres.; J. B. Goodman, credit manager, Atlanta National Bank, treas.

Directors: H. E. Choate, J. K. Orr Shoe Co.; R. S. Collinsworth, Gramling, Spalding & Collinsworth; E. A. Bancker, of the Lowry National Bank; William Akers, King Hardware Co.; W. C. Lee, John Silvey Co.; W. B. Willingham, Willingham-Tift Lumber Co.; E. R. Partridge, Hamilton Carhardt Cotton Mills; P. P. Handley, General Fire Extinguisher Co.; C. V. Logan, J. J. Barnes-Fain Co.; J. R. Bachman, Atlanta Milling Co., and B. M. Boykin, S. P. Richards Co.

## Election of Officers

**Augusta.**—At the recent annual membership meeting of the Augusta association, R. H. Daniels, Stovall-Daniels Co., was made president; John Phinizy, Georgia Railroad Bank, first vice-president; C. E. Schumacher, Schumacher Flour Co., second vice-president; R. A. Heath of Heath-Bolster & Turner, secretary.

## Fine Program at Boston Meeting

**Boston.**—The Boston association held a very successful meeting last month to which the members brought their ladies. It was a delightful occasion, and one, apparently, greatly enjoyed by the women as well as the men. George S. Smith, formerly president of the Chamber of

Commerce, and one of the charter members and founders of the Boston City Club, made an inspiring talk on "Emphasize the Personal Equation in Business." Mr. Smith pointed out the difference between business methods of a generation ago and those of today, and told what a wonderful power for good the National Association had been in changing business men's ideas from the old thought that man must live alone to the thought that he cannot live alone.

Percy R. Todd, president of the Bangor & Aroostook Railroad, regional railroad directors for the New England District was another speaker. He brought forcibly to the mind of his hearers the necessity for their taking a vital interest in the railroads which are the backbone of the country. He pointed out that should the railroads fail they will carry with them savings banks, trust companies, and insurance companies, and involve those thousands of widows and orphans whose all are represented in these institutions.

Another speaker was Frank E. Houston, vice-president of the Chemical National Bank of New York, who emphasized the part which the credit men's associations throughout the country are taking in stabilizing business conditions. Mr. Houston had been an active member of the St. Louis Association while a resident of St. Louis, and showed himself thoroughly familiar with the association's work and purposes.

J. C. Higgins, of Geo. P. Ide Company, completed the program with some Irish and Italian stories, and kept the crowd in a spirit of merriment.

## Buffalo Planning Ahead

**Buffalo.**—This summer, though some of the activities of the Buffalo Association have been discontinued, the officers and directors are planning ahead for a successful season. President Charles S. Cook has appointed the committees and plans are made for greater activity along a number of lines.

Edward Ellis, of Heywood Wakefield Company, chairman of the Membership Committee, will have charge of an aggressive membership campaign which will be run early in the Fall.

It has been suggested that the various committees take charge of the noon-day luncheons at least once a month. This will give them an opportunity to present their work to the Association and stimulate interest along various lines.

During the summer season no program is held at the luncheons but a table is reserved at the Chamber of Commerce for those who wish to take advantage of this opportunity to get together.

## The Failing Credit Man

**Chicago.**—During the past two years, as vice-chairman and chairman of the Adjustment Bureau Committee of the Chicago Association, D. J. Evans, National Lead Co., has kept in close personal touch with many of the cases coming into the bureau and has had opportunity to watch failing debtors of many kinds. "Many of them," he says, in the bulletin of the Chicago Association, "were not pleasant to contemplate—some of them were disheartening—a few absolutely disgusting spectacles of human avarice, treachery and rat-like cunning in evil doing!"

"But—reluctant as I am to make such

a statement about my fellow-craftsmen—I have about arrived at the conclusion, that, proportionally, the failing credit man exceeds in number the failing debtor! What would you say, if I were to tell you that within the past ten days, in Chicago, at least four credit men of presumably responsible houses, wittingly or unwittingly, joined a certain attorney there in attempted blackmail, in connection with a case now pending in the bureau? What of the credit man who will join in an involuntary petition when other interested creditors are moving heaven and earth to effect a fair and reasonable settlement? Or the credit man who refuses to join a composition settlement worked out by other credit men for the ultimate good of all concerned? How shortsighted—how ignorant—how lacking in all the fundamental attributes of a truly efficient credit man! It would seem that such credit men would classify along very similar lines as do the failing debtors; for if one stops to reason, it is easy to see that they are lacking the same three qualifications of Character, Capacity and Capital. They lack character when through malice, narrowness or greed or laziness, or because of some personal grievance, real or imaginary, they fail to practice the great principles for which our Association stands. They lack capacity when they admit inability to handle the failing debtor without the aid of shyster attorneys and collection agencies of questionable repute; and when their failing is due to inexperience or lack of knowledge of the work they are trying to do, they lack capital, which, in a credit man, must be made up of education and experience in matters pertaining to his work."

## Cincinnati Chapter of N. I. C.

**Cincinnati.**—At the annual meeting of the Cincinnati Chapter of the National Institute of Credit held at the Alms Hotel, the following were elected directors for the year: Miss Laura B. Teutschman, The Sterling Glass Co.; Louise Schleicher, The Sam'l C. Tatum Co.; Lenora Charles, The P. Sullivan Co.; Frank Crow, The Monitor Stove Co.; Edward Gruner, The Chas. Boldt Glass Co.; H. G. Timmer, The Alms & Doepke Co.; A. C. Rodenbeck, Crane Co.; H. W. Schwettman, Gruen Watch Mfg. Co.

Judge Darby entertained and instructed the 125 persons present with a speech on "Humor in the Court Room."

## "Interchange Bureau Saved Me \$900"

**Cleveland.**—According to the bulletin of the Cleveland association, George A. Luttner, of the United Electric Co., at Canton, walked into the office of the Credit Interchange Bureau of the Cleveland Association of Credit Men the other day to make an inquiry concerning the service to which he subscribes.

"How do you like the service?" Mr. Luttner was asked.

"It saved me just \$900 on one order yesterday; that's the best answer I can give," was his reply.

If you want to know how Mr. Luttner saved that \$900, which will pay for his Interchange service for many years to come, just write him a letter and ask him about it. You don't need to take our word for it.

## New Secretary for Detroit

**Detroit.**—The Detroit Association of Credit Men is fortunate in having secured a man of valuable experience as secretary-manager to succeed Secretary Hamburger whose ill health forced him to retire recently. The new secretary is O. A. Montgomery who has been identified with the Association for several years and has served as director and president of the Detroit Association.

National Director A. J. Peoples in writing of Mr. Montgomery's election says that the new secretary-manager "Was early interested in credit education and was largely instrumental in organizing this work at Detroit and taught the Credit Class for the first two years. He has made a considerable study of Adjustment and Interchange Bureau work and has many ambitious plans for these bureaus at Detroit. He has had quite a wide experience in credit work, having served some of the larger concerns of Detroit as Credit Manager and, several years ago, was identified with a mercantile agency which made a specialty of handling collections. He, therefore, comes to the Detroit Association of Credit Men unusually well equipped for all around service."

## Economist and Banker

**Fort Wayne.**—Upon the suggestion of W. F. Close, president of the Fort Wayne association, Dr. J. T. Holdsworth, formerly Dean of the Commercial Department of the University of Pittsburgh, and now vice-president of the Bank of Pittsburgh, gave a very interesting talk on "The Bankers' Outlook Toward the Future" at a recent meeting of the association. About ninety members attended. All of the local bankers and the heads of various business institutions were invited to attend this meeting, as the members knew the address would be of value. Dr. Holdsworth is also an authority on the Trade Acceptance.

## New Quarters

**Grand Rapids.**—The growth of the Adjustment and Interchange Bureaus of the Grand Rapids association has necessitated removal to larger quarters. These bureaus are now occupying several rooms in the Houseman Building, Grand Rapids. Under the management of Frank V. Blakely the bureaus are making rapid strides, performing a service in the Grand Rapids market which is becoming better and better recognized.

## Annual Meeting

**Grand Rapids.**—At a recent meeting of the Grand Rapids association, one of the members, D. C. Vander Meulen, of Holland, Michigan, spoke on "The Eagle and the Goose." He showed how this old fable is illustrative of present-day businesses and individuals; the eagle, king of the air, haughty, proud, preying, etc., while the goose, as a domestic fowl, is content to live mostly in the barnyard, and is not very active in getting its own living, but satisfied to let some one else provide it. It was an address out of the ordinary, and had a magnificent lesson for business men.

Another speaker was C. P. Campbell, a member of the Grand Rapids bar. Mr. Campbell made a strong plea for steadiness, coolness and manliness in this trying day of reconstruction.

This being the Annual Meeting, officers were elected for the new year as follows: S. Owen Livingston, Grand Rapids Grind-

ing Machine Co., president; R. J. Prendergast, Worden Grocer Co., vice-president; Clyde L. Ross, Commercial Savings Bank, treasurer. The reports of officers and committees for the year indicated splendid progress in all departments, and how great is the service rendered by the association in the Grand Rapids market.

## New Green Bay Secretary

**Green Bay.**—After being general secretary of the Association of Commerce at Green Bay, Wis., for two years, Chris. B. Dockry has been appointed secretary of the Green Bay Wholesale Credit Men's Association and has vigorously attacked the work. He is studying the problem of credit interchange as applied to Green Bay and intends to develop the full possibilities of the association in the vicinity.

## Johnstown's Secretary

**Johnstown.**—R. H. Coleman has been elected secretary of the Johnstown association, and has assumed his duties at the offices of the association, 608 Swank Building. Mr. Coleman has been purchasing agent for the Union Radiator Co. and resigned to accept the secretaryship of the Credit Men's association.

Mr. Coleman was graduated as an honor student from the local high school in 1915. Awarded a scholarship to the Pittsburgh University, he entered the School of Economics there, taking studies specially adapted to training young men for executive positions.

He enlisted with the Pittsburgh University Base Hospital corps and saw nearly two years' service overseas with the French and the American armies. Mustered out in 1919, he entered the employ of the Union Radiator Co. in the Sales and Accounting Department, and later became purchasing agent.

## New Officers

**Lincoln.**—At the annual meeting of the Lincoln Association, P. P. Weston, McKelvie Publishing Co., was elected president; H. S. Brooks, Marshall Oil Co., vice-president; and G. C. Harris, Schwarz Paper Co., secretary and treasurer.

The reports rendered show that the association is in sound condition and the members are enthusiastic in supporting the various activities of the organization.

## Fire Prevention

**Lincoln.**—E. C. Folsom, Folsom Bros., Inc., was the principal speaker at the recent annual meeting of the Lincoln association. His talk was on Fire Prevention. Reports from various committees of the association were received.

## Failure Is Elective

**Kansas City.**—V. S. Day, of the Adjustment Department of the Kansas City association, contributes an article on "Why People Fail" to the association bulletin in which he says:

"Failure is generally elective. It rests with the man himself to decide whether he cares enough for success to pay the price.

"The above statement made by one of the prominent business men of Kansas City is indeed true.

"If the wholesale houses will wait till business gets better I can pay out" is the common answer when the Adjustment Bureau of the association inquires into the business of a man in a failing condition.

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**\$4.00 per 1,000**

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We use 20 lb. water-marked bond paper. Send in your old letterhead. We will teach you a new idea.

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**CREDIT AND OFFICE MANAGER.**—Now employed, desires change. Twelve years' experience; best references; locate anywhere. Address Advertisement 592.

**DETAIL.—INTERESTED IN PLACING** well educated young man with character, who has marked talent for attention to detail. He will be of great value in the right position. Address Advertisement 593.

**CREDIT AND COLLECTION MANAGER.**—Age 39, married, seventeen years' experience hardware and farm implement wholesale business. Best references; salary \$4,000. Will change to other lines. Address Advertisement 594.

"Yet, on the other hand, hundreds of retailers in Kansas City do not have to wait until business gets better to pay their bills. They do it now, they discount their bills, which is proof enough that business, while possibly not up to the standard, is good enough to keep the vast majority of the retailers on the good side of the ledger.

"Yet, the other man leans on his counter, resting first on one foot, then the other, lazily waiting for business to come to him. It has never occurred to him that his business will move no faster than he himself moves. That when he slows up, his business will slow up, and when he lazily waits, his business will lazily wait."

## For a Measley 25 Bones

**Minneapolis.**—Paul A. Barkuloo contributes a poem written in Walmasonese to the recent issue of the Bulletin of the Minneapolis association, which was composed on the occasion of the last meet-

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ing of the association for the year and which closes as follows:

"You've had a grand year in the Craft, folks, with problems and pleasures and work, you've listened to talks that were timely and that showed where the dark pitfalls lurk; you've had helps galore for your think-tanks and laughing gas for your groans, and you've had the smile of folks worth while—for a measley twenty-five bones.

"So I'm boosting tonight Minneapolis, the association that stands Ace high; for the best bunch of credit women and men this side of the 'Sweet By-and-Bye'; and I'm boosting tonight for the friendships made among the folks we meet as we journey along with a heart in our song On the Sunny Side of the Street."

### Tri-State Conference at Lynchburg

**Lynchburg.**—A great deal of effective work was done at the fourth annual Tri-State Conference of credit men at Lynchburg, Va., where the local association outdid itself in hospitality. Delegates attended from Baltimore, Washington, Richmond, Norfolk and Roanoke. National Secretary-Treasurer Tregoe addressed the conference and counselled with the delegates on their association problems.

### Trade Acceptance Market Widening

**Milwaukee.**—The bulletin of the Milwaukee association says that "there has been some complaint because of trade acceptances not being purchased freely in the open market. It seems certain that trade acceptances originating outside of leading financial centers will necessarily find lodgment in local banks where the names are known. The expense of credit investigation on small amounts where the names are not known, of course, precludes their going into the open market. There is, however, a steadily growing demand in the open market for bank endorsed trade acceptances. Where such paper is offered it moves more readily than the best single-named endorsed paper, although the latter yields from  $\frac{3}{4}$  to 1 per cent higher returns."

### Minneapolis Annual Meeting

**Minneapolis.**—Wendell O. Hawkins, McClellan Paper Co., secretary of the Minneapolis association, at the recent annual meeting of the year reported that the net membership of the association was 545 as against 525 of a year ago. Nine regular monthly meetings of the association were held, September to May, inclusive, with an average attendance of 233, compared with 227 last year, and 44 per cent of the membership attended, compared with 46½ per cent last year. The January meeting was "Ladies' Night," at which there were 350 in attendance. March meeting was the joint meeting with St. Paul, at which there were 446 in attendance, 123 of whom were from the St. Paul and 323 from the Minneapolis association, the largest attendance of the year—April being the smallest, with 203. The above averages do not take into account the ladies attending in January, or the St. Paul members in March.

All committees, says Mr. Hawkins, have been very active and have done fine work. The administration feels particularly grateful for the splendid support of the committees. The Membership

Committee deserves special commendation. Mr. J. W. Meines, as an individual membership salesman, has made a record of which he as well as the whole committee can well feel proud.

### Annual Meeting

**Minneapolis.**—At the recent annual meeting of the Minneapolis Association of Credit Men, Gray Warren, Federal Reserve Bank of Minneapolis, was made president. Paul R. MacMichael, Winston, Harper, Fisher Co., was elected vice-president and W. O. Hawkins, McClellan Paper Co., secretary-treasurer. There was elected with these officers, a strong Board of Directors.

### North Jersey Association of Credit Men

**Newark.**—The Secretary of State of New Jersey has legally confirmed the change of name of the Newark Association of Credit Men to the "North Jersey Association of Credit Men."

### N. Y. Retail Credit Men's New President

**New York.**—George W. Waterford of Best & Co., Inc., has been elected President of the Associate Retail Credit Men of New York, the New York City branch of the Retail Credit Men's National Association. He will preside over a body comprising six hundred members drawn from the retail institutions of the metropolitan district. Mr. Waterford will aim, with the assistance of the press, to increase the membership to 1,000 by March, 1922.

### Wills

**Oshkosh.**—E. J. Dempsey, the speaker of the evening at a recent well-attended dinner meeting of the Oshkosh association, gave a humorous and informing talk on wills. Pointing out that the form of the will and the paper it is written on are of little importance, he cited an instance in which a brakeman on the Pennsylvania railroad, who was dying as the result of an accident, wrote on a shipping card, "All that is mine is thine."

He said that the wills of some of the greatest men have been short ones.

### Connecticut Conference

**New Haven.**—From all commercial centers of Connecticut credit men attended the recent Fourth Annual State Conference of Connecticut Credit Men as guests of the New Haven association. W. C. Hutton, president of the New Haven association, presided at the morning session. A. Elliott Frost, Bryant Electric Co., Bridgeport, told how correspondence ability may be developed and enumerated the ear-marks of well written letters. H. I. Arms, Wallace Barnes Co., Hartford, told of the relative value of each source of credit information.

The afternoon session was presided over by H. B. Kennedy, past president of the New Haven association. C. L. Wootton, A. W. Burritt Co., Bridgeport, told how the failing account may be discovered and how it should be treated. He said that this was a test of credit ability. E. S. Boteler, national director, argued in favor of a central office for Connecticut with a paid secretary and suggested the possibility of a Credit Information Bureau in connection therewith. H. B. Litchfield, Western Electric

Co., New Haven, one of the best posted men in the state on the trade acceptance, told of the actual practical working of the trade acceptance. At the close of the afternoon session, the delegates were taken on a twelve mile spin which acquainted them with the "City of Elms" and its neighborhood.

At the New Haven Country Club, the banquet was presided over by H. F. Beebe, past president of the New Haven association. The speakers were National President W. F. H. Koelsch; National Secretary-Treasurer J. H. Tregoe; Charles M. Walker, president, New Haven Chamber of Commerce; Rev. Edward A. George, pastor United Church; Prof. Albert F. Snyder, consulting specialist; E. S. Boteler, National director.

### New Officers and Directors

**Oshkosh.**—At the annual meeting of the Oshkosh Association, the following were elected officers for the ensuing year: Robert P. Boardman, president; William E. Muir, vice-president; T. R. Frentz, treasurer; C. D. Breon, secretary. The Board of Directors consists of the four officers, William James, Frank A. Labudde, and Henry Henkel, all of Oshkosh; F. W. Suzycki, of Ripon, and L. J. Pinkerton, of Meenah. Following an elaborate dinner, reports of various committees were received.

### What Will Bring Good Times

**Pittsburgh.**—Ten of the live wires of the Pittsburgh association gave three minute speeches on "What Will Bring Good Times," at a recent luncheon meeting at the Hotel Chatham. The discussion was started by H. C. Workmaster and closed by C. L. Jamison. Many helpful ideas found expression in the crisp talks of the speakers.

I. B. Stafford, Western Electric Co., was slated for that occasion and talked to the credit club on "Your Terms—Sales or Credit Features."

### Three Pittsburgh Addresses

**Pittsburgh.**—President W. F. H. Koelsch and secretary-treasurer J. H. Tregoe of the National Association and Dr. Charles W. Gerstenberg, Dean of the School of Commerce of New York University, were the speakers at the last meeting of the Pittsburgh association at the General Forbes Hotel.

C. L. Jamison, addressed the Pittsburgh chapter of the National Institute of Credit at its recent meeting on the subject "Relation of Cost Accounting to Credits." As Mr. Jamison is president of the local chapter of the American Institute of Accountants, his words carried special weight with the credit men and students present.

### What the Rating Does NOT Tell

**Philadelphia.**—The Mercantile Agency Committee of the Philadelphia association contributes the following "Agency Talk" to the bulletin of the association:

The rating gives the approximate net worth of a business.

It gives the degree of promptness or of slowness reflected in the general payments of the business.

But a trader or manufacturer does not pay bills with his net worth.

He pays with net quick assets—his working capital.

Net worth includes the fixed or permanent assets—Real Estate, Buildings, Machinery, etc.

You don't want your "pay" in bricks and tools, but in cash and your greater interest is in the assets which are turning into cash by the regular operation of the business—considered against the liabilities which are to be paid out in cash.



A business may have a very substantial net worth, but no net quick assets. The rating (based on net worth) may not reflect the ability to pay (based on net quick assets).

A business may have a net worth of half a million, but with little or no working capital and if it has a line of credit at banks sufficient to keep merchandise bills discounted or paid promptly, it may have the best credit rating.

## CONCLUSION

The product of the agencies is the mercantile report. The rating is a by-product. The report is the substance—the rating is the shadow.

Shadows may be elongated or shortened, according to time and place.

Don't rely too much on by-products.

## Good News for the Creditors

**Rochester.**—The following story appears in the latest issue of the bulletin of the Rochester association:

The doctor coughed gravely. "I am sorry to tell you," he said, looking down at the man in the bed, "that there is no doubt you are suffering from small-pox."

The patient turned on his pillow and looked up at his wife.

"Julia," he said in a faint voice, "if any of my creditors call, tell them that at last I am in position to give them something."

## Information an Adjuster Should Gather

**St. Paul.**—W. D. Mann, Foot Schulze & Co., in an article in the Bulletin of the St. Paul association suggests that the reports of those who call upon slow and doubtful customers should cover the following points:

1. Personnel.
2. Family.
3. Age.
4. Habits, character, personality and general standing in the community.
5. Experience.
6. Merchandising ability.
7. Number of clerks.
8. Location.
9. Insurance (list policies).
10. Local marketing conditions:
  1. Competition.
  2. Crop outlook.
11. Outside ventures.
12. Remarks as to accuracy of figures and data given in financial statement. (Statement should always be secured, unless there is a recent one in the file which adjuster should have with him.)
13. Settlement made.
14. Recommendations.

## New Officers for Toledo

**Toledo.**—Howard E. Brittain, Pittsburgh Plate Glass Co., newly elected president of the Toledo association, looks forward to a year of real development in association matters in the Toledo section. He will be supported in the year's work by a strong official family as follows: Treas., J. Weir Coover, The Gendron Wheel Co.; Sec., Fred A. Brown; Executive Committee, C. N. Bevan of The Woollen Spice Co., E. H. Bispham of Baumgarten & Co., J. J. Foran of Berdan & Co., E. F. Gleason of Ohio Savings Bank & Trust Co., H. B. Kirtland of Kirtland Co., Chas. S. Nagel of Toledo Scale Co., Mrs. Rosa Snell of Harbauer, and W. F. Stollberg of Stollberg Hardware and Paint Co.

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CHICAGO, ILL.

Pacific Department  
GEO. W. DORNIN, Manager  
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## Iowa Co-Insurance

**Waterloo.**—In the April issue of THE CREDIT MONTHLY there was contributed an article on the co-insurance clause in which it was stated that ten of our states, including Iowa, carries anti-co-insurance laws on their statute books. THE CREDIT MONTHLY is indebted to J. A. Smith of Smith, Lighty & Hillman Co., Waterloo, Iowa, for a letter, quoting the Commissioner of Insurance of Iowa as follows: "The law of this state does not permit co-insurance except upon fire policies. Co-insurance is permitted only under the specific provisions of Code Section 1746 wherein the statutory request for application of the co-insurance clause is set out and the co-insurance or reduced rate clause is also set out. Co-insurance is permitted on fire policies only and is only applied to fire policies as provided for in this code section on the forms outlined by the statute."

## Wheeling Does Not Hibernates in the Summertime

**Wheeling.**—The Wheeling association is keeping up the gait that it struck during the membership drive when it gathered in one of the individual prizes for membership work. To indicate how much interest there is in the association even "during the heated spell," no less than five luncheons were held during the month of June, as follows:

June 1, "Outlook," Mr. Fred J. Fox, Secretary Security Trust Company.

June 8, "Grain Exchanges Relative to Food Prices," Mr. C. E. Bates, President, Wheeling Milling & Grain Co.

June 15, "Co-operation," W. F. Kennedy, President of Ott-Heiskell Hardware Company.

June 22, "Our Future Menace," Harry F. Seff, Minneapolis, Minn.

June 29, "Distribution," W. J. Frankston, Sales Department, Bloch Bros. Tobacco Company.

The weekly luncheons will be continued during the summer months, as the attendance is increasing right along.

About a month ago, at the request of Mayor Robert Lee Boyd, president Bloch Bros. Tobacco, was suggested as a member of a committee made up of civic organizations, to work with the City Council

and our Street Railway Concerns in formulating some plan to assist them in working out their financial difficulties.

The association was called upon by the Chamber of Commerce to endorse their Fourth of July celebration and become actively interested in it. It immediately took action, endorsed the movement, sent out circulars to its members and participated in the parade.

## Ohio Taxation Resolution

**Youngstown.**—The following resolutions, condemning the Excess Profits Tax and the Sales Tax, and advocating the continuance of the individual income tax and of a tax on the undistributed net earnings of corporations, were adopted at the Ohio State Conference of Credit Men held in Youngstown. The committee on resolutions consisted of Messrs. E. E. Althoff, C. N. Bevan, J. E. Campbell, Geo. J. Gruen, Fred W. Hecht, O. D. Kay, L. A. M. Lewis, J. B. Wiles.

**Whereas,** The Ohio State Conference of Credit Men, in convention assembled, have appointed a committee and entrusted them with the task of bringing in a resolution in connection with the report presented by Mr. E. H. Jaynes, of the committee of the National Association of Credit Men on the Taxation problem; and

**Whereas,** The report presented by the National Committee constitutes a review of the Excess Profits Tax and a Study of the Form of Taxation which can best produce the necessary revenue without discouraging enterprise and investments; and

**Whereas,** The report as presented by Mr. Jaynes was unanimously accepted by the convention of the Ohio Conference of Credit Men in session assembled this 20th day of March, 1921, at Youngstown, Ohio; and

**Whereas,** This committee was appointed to draft a resolution to be presented for adoption by the entire body; be it therefore

**Resolved,** That we, the duly appointed resolution committee do hereby approve the report as made, namely, that the Excess Profits and Corporation Income Tax be abolished as at present in force; and be it further

**Resolved,** That in order to provide adequate revenue for governmental operation without discouraging enterprise and investment that this committee further recommend a tax on individual incomes from whatever source derived and that the normal income tax on corporations be abolished and a tax be placed on undistributed corporation net earnings; and be it further

**Resolved,** That this committee recommend that the Ohio State Conference of Credit Men unite in working against the proposed Sales Tax as being unjust and inequitable; be it finally

**Resolved,** That a copy of this resolution be presented to and approved by the entire convention here assembled, a copy sent to the office of the National Association of Credit Men, a copy given to the press and a copy recorded in the minutes of this convention.

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Note: A. C. M. means Association of Credit Men.

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El Paso—Tri-State A. C. M. Pres., C. S. Nasita, American Grocery Co.; Sec., T. E. Blanchard, 622-3 Caples Bldg.

Fort Worth—Fort Worth A. C. M. Pres., H. B. Elbert, Waples Platter Grocery Co.; Sec., E. G. Parker, King Candy Co.

Houston—Houston A. C. M. Pres., J. W. Lester, Southern Drug Co.; Sec., Frederick W. Mozart, 315 First National Bank Bldg.

Paris—Paris Wholesale A. C. M. Pres., W. H. P. Anderson, Paris Candy & Bottling Company; Sec., Maury Robinson, O. L. Gregory Vinegar Co.

San Antonio—San Antonio A. C. M. Pres., Arthur Storma, Pioneer Flour Mills; Sec., H. M. Hart, City National Bank; Mgr., Henry A. Hirsberg, Chamber of Commerce, 313 Alamo National Bank Bldg.

Waco—Waco A. C. M. Pres., W. N. Orand, The Shear Co.; Sec., H. J. White, Turner-Coffield Co.

Wichita Falls—Wichita Falls Association of Credit Men. Pres., J. W. Hunt, Wichita Mill & Elevator Co.; Sec., Perry Rogers, Goodner Wholesale Grocery Co.

YATTA, Salt Lake City—Inter-Mountain A. C. M. Pres., F. A. Pyke, Pyke-Dreuhl Co.; Sec., G. N. Nichols, Salt Lake Hdw. Company; Asst. Sec., Walter Wright, P. O. Box 386.

VERMONT, Burlington—Vermont A. C. M. Pres., Henry H. Hagar, Hagar Hardware & Paint Co.; Sec., Neil L. Stanley, P. O. Box 386.

VIRGINIA-TENNESSEE, Bristol—Bristol A. C. M. Pres., T. L. Hayworth, Bristol Grocery Co.; Sec., Geo. D. Helms, Gibson Candy Co.

VIRGINIA, Lynchburg—Lynchburg A. C. M. Pres., W. Ward Hill, Hill Buggy & Wagon Co.; Sec., R. T. Clark, care Lynchburg Adjustment Bureau, Lynch Bldg.

Newport News—Newport News A. C. M. Pres., R. J. Charles, Cole Tobacco Co.; Sec., N. B. Cofer, Cofer Smithfield Products Co.

Norfolk—Norfolk-Tidewater A. C. M. Pres., H. G. Barbee, Harris Woodson Barbee Co.; Sec., W. R. Meech, Lyon & Greenleaf; Gen. Mgr., Shelton N. Woodard, 1700 Granby St.

Richmond—Richmond A. C. M. Pres., W. R. Jones, Virginia Carolina Chemical Co.; Sec., Jo Laid Stern, 1106 Main St.

Roanoke—Roanoke A. C. M. Pres., H. W. Hobson, Roanoke City Mills; Sec., E. W. Winborne, Roanoke Grocery & Milling Co.

WASHINGTON, Seattle—Seattle A. C. M. Pres., C. P. King, Seattle Hardware Co.; Sec., R. B. Genung, 71 Columbia St.

Spokane—Spokane Merchants' Association. Pres., R. B. Patterson, Spokane Dry Goods Co.; Sec., J. B. Campbell, 718 Realty Bldg.; Asst. Sec., James D. Melkie, 718 Realty Bldg.

Tacoma—Wholesalers Association of Credit Men. Pres., C. O. Bishop, West Coast Grocery Co.; Edward B. Long, P. O. Box 1207.

WEST VIRGINIA, Bluefield—Bluefield-Graham A. C. M. Pres., B. H. Hancock, Peerless Flour & Feed Co., Bluefield, W. Va.; Sec., W. P. Ryan, Bluefield Bakery, Bluefield, W. Va.

Charleston—Charleston A. C. M. Pres., F. D. Drumheller, Kanawha Valley Bank; Sec., A. J. Barnhart, Room 5, Capital City Bank Bldg.

Clarksburg—Central West Virginia A. C. M. Pres., Bert Evans, Morris Grocery Co.; Sec., U. R. Hoffman, Union Bank Bldg.

Huntington—Huntington A. C. M. Pres., H. S. Potts, Norvell Chambers Shoe Co.; Sec., C. C. Harrold, 705 First National Bank Bldg.

Parkersburg—Parkersburg-Marietta A. C. M. Pres., Chas. W. Otto, Otto Brothers, Marietta, Ohio; Sec., Clarence E. Oesterle, Citizens National Bank, Marietta, Ohio.

Wheeling—Wheeling A. C. M. Pres., Robert Lee Boyd, Bloch Bros. Tobacco Co. Sec., W. B. Downs, 81 McLain Bldg.

WISCONSIN, Fond du Lac—Fond du Lac A. C. M. Pres., W. J. Nuss, Nuss Lumber Co.; Sec., A. P. Baker, Commercial Nat. Bank Bldg., Room 9.

Green Bay—Wholesale Credit Men's Association of Green Bay. Pres., Frank C. Schilling, Frank C. Schilling Co.; Sec., Chris B. Dockry, Kellogg Nat. Bank Bldg.

Milwaukee—Milwaukee A. C. M. Pres., Gordon M. Day, Bergwall Co.; Sec., James G. Romer, 605 Mayer Bldg.

Oshkosh—Oshkosh A. C. M. Pres., Robert P. Boardman, Oshkosh Savings & Trust Co.; Sec., Chas. D. Breen, Rooms 21-22, 76 Main St.

## Don't Solicit—Invite Them

Cleveland.—National Secretary-Treasurer Tregoe recently made the following remarks on membership work to the Cleveland association:

"Don't solicit new members, invite them to come in as a privilege—one of the highest privileges ever offered to any business man.

"Why a privilege?

"Let me refresh your mind as to history.

"This nation was founded in 1789. In 1896, one hundred and seven years later, our national wealth was only 80 billions. Men were working for a dollar a day and lucky to get that. Securities which paid 4% were rare riches and much sought after. Business was stagnated. We even gave serious thought as to the adoption of the silver standard with its famous ratio of 16 to 1 to help us out of the slough of commercial despond into which we had sunk.

"Then something happened.

"In Toledo that year there met a little handful of 100 business men. They were men who had studied the situation and who had come to the conclusion that the plan in use for the past 107 years by which every business man had been suspicious of every rival business man, his sworn enemy, and by which each went his own way without regard for the welfare of the other, was wrong economically. They had determined that business must be placed upon some new basis if it and the men in it and the nation were to prosper.

"And so they formed the National Association of Credit Men. And they adopted the motto 'Co-operation.'

"That was 25 years ago. Today our national wealth is 250 billions. In 25 years since 1896 we have added 170 billions, while in 107 years before we accumulated only 80 billions.

"Now I do not say that our Association alone has accomplished this result, but I do say that out of that meeting in Toledo, out of the formation of this Association and out of its principle of business co-operation has come this result. This Association and its slogan of 'Co-operation' have been the alchemy which has wrought this miracle.

"And I want you to remember this story of your Association and to go out and tell it and when you have told it, invite business men to avail themselves of the privilege to join their forces with yours in its support and development."

## The Rights of Others

St. Paul.—Speaking before the St. Paul association of the contrast between business conditions of January 1, 1921 and January 1, 1920, and of the altered responsibility resting upon credit grantors because of new conditions, George R. Dane declared that "thoughtful men are giving more attention to the public needs of the hour, and more men than ever before are today acknowledging outspokenly that there is just one hope for emerging from our troubles: There must be full recognition of the rights of others; there must be a conscience governed by the highest ideals and men must have in mind all the while the kind of a world which we are to hand down to the next generation and the generation to follow it; that commercial integrity must be enthroned in the hearts of men is a far more important consideration than assets, which may be swept away overnight; honesty must become a ruling passion and those whose records show that honesty means something to them are being sustained today by their fellows, and through the help of their fellows are being bridged over to a new era of business.

"The credit man has more to do in exerting the right influence over customers. With the commercial crook there must be given even less consideration by the credit man than ever before. His way must be made harder and harder. He must be made to understand that credit is strictly for the honest man. The credit man is given this year, as never before, the opportunity of functioning in a big way, because the very commercial life of customers to a large extent depends upon the treatment which they have received from creditors. Wise counsel, a generous spirit and the willingness to stand by a customer may be the means of arousing in him those elements which will give him the heart to go forward. Great is the credit man's responsibility to his employer, his customer and society at large at a time like this, when the question is not, 'What profits shall we make?' but, 'What part shall we take in keeping commerce sound?' The credit man must make customers understand that he must know in advance whether or not they have the ability to carry through the promise which they have undertaken, and they must be discouraged from accepting any kind of favor which the chances are they will not be able to repay.

"Deliberate misrepresentation by the credit man, whether direct to other credit men, or through the mercantile agency, must be frowned upon by the entire credit fraternity."

## The Good Will of the Customer

Chicago.—What is the most important single phase of business? This question has been asked by Charles Henry MacIntosh, Business Letter Writing Department, LaSalle Extension University, of various groups of men in different departments of business such as financial, manufacturing, sales and credit department. Each group thought its own department the most important. Mr. MacIntosh in a recent talk on correspondence to the Chicago association declared that *The Good Will of the Customer* is the most important element in business. To this every department contributes, but in his opinion none quite as greatly as the credit and collections department.



# Hidden \$20,000 Found

## Inside of a Month "Zephon" Lands Two Inside Prison

### By Walter B. Mack

THE gates of one of Connecticut's prison houses have been opened to receive two young men, Harry Bronstein and Edward L. Menus, who it is hoped are today repenting, not because they felt the big stick that the Investigation and Prosecution Department of the National Association of Credit Men has ready for the commercial crook, but because they have sinned grievously against decent business. Perhaps, at least, they will conclude that it were better to earn a meager livelihood by daily toil than to make one grasp at thousands by plundering creditors.

Bronstein had been a peddler for several years in the neighborhood of New Britain, Conn.; Menus had been employed in his brother's shoe shop receiving a wage of about twenty dollars a week. They decided upon a partnership just a year ago and opened their doors under the sign "The Bootery Shop." Bronstein gave it out that he had invested his savings of \$5,000, while Menus had borrowed, on the endorsement of his brother and others, the sum of \$5,000 from a local bank, subject to quarterly payments of \$500.

It is quite a statement that they issued to creditors January last to represent their condition as based on a January 5 inventory. The statement follows:

<b>ASSETS.</b>	
Cash value of stock on hand.....	\$22,715.22
Outstanding accounts .....	713.07
Cash in bank.....	1,899.82
Fixtures .....	4,772.50
<b>Total .....</b>	<b>\$29,000.70</b>
<b>LIABILITIES.</b>	
For merchandise not due.....	\$15,120.77
For merchandise closed by notes..	2,000.00
Loans from bank.....	2,000.00
<b>Total .....</b>	<b>\$19,120.77</b>
<b>SURPLUS .....</b>	<b>\$10,470.93</b>
Insurance on merchandise, \$14,000.00.	
Rent, \$200 per month.	

This is rather a glowing statement for a concern that had been scarcely more than launched, but it accomplished what the partners wanted, for they were able to get, on regular credit terms, merchandise from many parts of the country. Especially for sixty days prior to April 15, they worked fast and are said to have received nearly \$30,000 worth of boots and shoes, largely by parcel post and express. Freight was too slow to accord with their purposes! The flow of new goods was continuous, especially between March 10 and April 11.

A voluntary petition in bankruptcy was filed April 21; but there was delay in the appointment of the receiver. Finally on May 12, E. E. Ogren of the Stanley Works of New Britain received his appointment. Fourteen days after the appointment, the situation was called to the attention of C. D. West, head of the Investigation and Prosecution Department of the Association; and he began his inquiry. He found that liabilities were about \$45,000, and that assets consisted of a small stock of old, soiled and damaged shoes which must have come from some other stock because "The Bootery Shop" had been in business too short a time to have accumulated any old merchandise. It was clear that there had been a wholesale removal of stock, and Mr. West was determined to locate it.

Members of a firm of architects that has offices in the same building as "The Bootery Shop" reported that during the last week of March and the first week of April, while engaged in their offices during late hours, they had observed that the proprietors were busy packing cases of merchandise. The hammering and nailing was kept up until late in the night. A neighbor advised that just before the closing of the shoe shop, he had observed a large motor truck standing in the rear of the store being loaded with cases of merchandise and that Bronstein and Menus were helping to load. The hour, he said, was between 5 and 5:30 in the morning. Another resident of New Britain declared that he had seen this truck and his suspicions led him to lift the burlap sack which covered the license plate and copy the license number.

Mr. West was, therefore, quickly able to get in touch with the owner of the truck who said that upon the order of Menus he had responded to a call to go to New Britain and from "The Bootery Shop" haul sixty cases of shoes to a certain warehouse in New York, and, that at a later date upon the order of Menus he had hauled thirty more cases to the same warehouse. These cases were stored by Menus under the name of I. Zaslav of New York City.

Upon the gathering of this and other information a special Grand Jury was convened at Hartford on

## THE CREDIT MONTHLY

June 27 and both bankrupts were indicted on two charges of concealment—just one month after the case had been called to the attention of the Investigation Department. The information which the Department had been able to secure was so overwhelming that on July 1 the defendants pleaded guilty and were immediately put behind the bars.

## INFORMATION WANTED

Members of the National Association of Credit Men having dealings with the following persons please communicate with the National Association of Credit Men, 41 Park Row, New York City.

Berlin, C. S., a druggist, formerly of Wilkesburg, Pa. Supposed to be at or near Layton, Fresno County, Calif.

Everly, Paul N., formerly a printer at Des Moines, Ia. Supposed to be in the printing or advertising business at present.

Fernando, M. C. and Moore, M. E., of Chicago, Ill., who have been receiving merchandise and samples to be sent to Ceylon.

Morrison, Mrs. Marion, milliner, late of New Castle, Wyoming, and formerly of Belleville, Kan.

Rose Silver Co. of Norfolk, Va. Harry Rose, president and treasurer.

Schuman Bros., Hominy, Okla.

## ADDRESSES WANTED

Arndt, H. W., formerly at La Crosse, Wis., in the retail cigar business. Supposed to be somewhere in Kansas or Nebraska.

Bloome, Charles P., formerly with the Consumers Bakery Co., Springfield, Mass.

Carlton, Gerald R., supposed to represent the Western Pump Co., of Moline, Ill., he having offices in Minneapolis. Said to have gone to Des Moines and Ft. Dodge but last heard of in Milwaukee.

Chami, D. A. & Son, Barborton, O.

Cole, Edward A., formerly operating the Traffic Garage at Baltimore, Md., reported now to be in N. Y.

Domek, John J., formerly of Glasgow, Montana, last heard of at Spokane, Wash.

Fayrsex Mfg. Co., 143 West 20th street, N. Y.

Grosch, M., formerly at 333 Washington street, Brooklyn, N. Y.

Hamet, William M., formerly of Spartanburg, S. C. His wife is reported to have purchased a ticket for Seattle, Wash.

Hoxie, Victor, Y. M. C. A. Cafeteria, Galesburg, Ill.

Jones, Sidney C., formerly of Baltimore and Dorsey, Md., and identified in the Nursery line.

Katradin Bros., trading as the Palace Confectionery Company, 3207 Washington Avenue, Newport News, Va.

Morrow, Arthur M., Sault St. Marie, Mich., formerly of 151 South Burdick street, Kalamazoo, Mich.

Schrieber, H., 9394 Market Stand, Indianapolis, Ind.

Teague, W. C., formerly operated Shoe Repair Shop, at Sheffield, Ala., and East Florence, Ala.

# Adjustment Bureaus

## Directory of Bureaus Conducted by Local Associations of Credit Men

CALIFORNIA, Los Angeles, F. C. De Lano, Mgr., Higgins Bldg.  
 CALIFORNIA, San Diego, Carl O. Betsloff, Mgr., 573 Spreckles Bldg. Carl O. Betsloff, Chairman.  
 \*CALIFORNIA, San Francisco, Board of Trade of San Francisco.  
 DISTRICT OF COLUMBIA, Washington, R. Preston Shealey, Sec'y and Mgr., 726 Colorado Bldg.  
 FLORIDA, Jacksonville, Jacksonville Adjustment and Credit Interchange Bureau, A. J. Brown, Mgr., 801 Law Exchange Bldg. M. S. Pollak, Chairman, care Benedict Pollak Co.  
 FLORIDA, Tampa, S. B. Owen, Mgr., 5 Roberts Bldg.  
 GEORGIA, Atlanta, R. Y. Barrett, Mgr., 304 Chamber of Commerce Bldg. Robert E. Harvey, Chairman, Fourth National Bank Bldg.  
 GEORGIA, Augusta, W. B. Oliver, Mgr., 6 Campbell Bldg. Milledge Murphey, Chairman, Care Murphey & Co.  
 GEORGIA, Macon, A. F. McGhee, Mgr., Room 15, Jaques Bldg. A. F. McGhee, Chairman.  
 GEORGIA, Savannah, H. M. Oliver, Mgr., 35 Banard St.  
 IDAHO, Boise, D. J. A. Dirks, Mgr., Boise City National Bank Bldg. C. J. Northrup, Chairman, care Northrup Hardware Co.  
 ILLINOIS, Chicago, M. C. Rasmussen, Mgr., 10 South La Salle St. D. J. Evans, Chairman, care National Lead Co., Illinois, Peoria.  
 ILLINOIS, Springfield, Chamber of Commerce, Miss Edna Lennox, City Hall.  
 INDIANA, Evansville, H. W. Voss, Mgr., Furniture Exchange Bldg. A. W. Hartig, Chairman, Care Hartig Plow Co.  
 INDIANA, South Bend, L. M. Hammerschmidt, Mgr., 710 J. M. S. Bldg.  
 IOWA, Cedar Rapids, C. F. Luberger, Mgr., 504 Mullin Bldg.  
 IOWA, Davenport, H. B. Betty, 401 Putnam Bldg.  
 IOWA, Des Moines, Don E. Nelman, Mgr., 820-824 Fleming Bldg. Raymond Hurst, Chairman, care Brown-Camp Hdw. Co.  
 IOWA, Ottumwa, Wm. A. Hunt, Mgr., Phoenix Trust Bldg.  
 IOWA, Sioux City, Peter Balkema, Mgr., 601 Trimble Bldg. H. C. Reed, Chairman, care Wm. Tackaberry Co.  
 KANSAS, Wichita, M. E. Garrison, Mgr., Suite 1011 Beacon Bldg. John B. House, Chairman, care Lehmann Higginson Grocer Co.  
 KENTUCKY, Lexington, John D. Allen, Mgr., 412 Fayette Bank Bldg.  
 KENTUCKY, Louisville, Charles A. Fitzgerald, Mgr., 45 U. S. Trust Co. Bldg. P. B. Bethel, Chairman, care Falls City Clo. Co.  
 LOUISIANA, New Orleans, T. J. Bartlette, Supt., 608 Canal Louisiana Bank Bldg. Geo. Grundman, Chairman, care Albert Mackle Co.  
 MARYLAND, Baltimore, Ira L. Morningstar, Mgr., 100 Hopkins Place. H. W. Bennett, Chairman, care Rice & Hutchins Baltimore Co.  
 MASSACHUSETTS, Boston, H. A. Whiting, Secretary, 136 Federal St.  
 MASSACHUSETTS, Springfield, E. H. Cullen, Mgr., Room 2424, 31 Elm St. Marcus H. Smith, Chairman, care Sturtevant, Merick Co.  
 MASSACHUSETTS, Worcester, Adjustment Bureau of Worcester Ass'n of Credit Men, E. H. Cullen, Commissioner, 518 Park Bldg., G. A. Streeter, Chairman, care Brewer & Co.  
 MICHIGAN, Detroit, G. C. Montgomery, Mgr., 622 Farwell Bldg.  
 MICHIGAN, Grand Rapids, Frank V. Blakely, Secretary and Manager, 447 Houseman Bldg. F. E. Martin, Chairman, care Valley City Milling Co.  
 MINNESOTA, Duluth, The Duluth Jobbers Credit Bureau, Inc., R. G. Robie, Mgr., 415 Lonsdale Bldg.  
 MINNESOTA, Minneapolis, The Northwestern Jobbers' Credit Bureau. W. A. Marlin, Mgr., 241 Endicott Bldg., St. Paul, Minn.  
 MINNESOTA, St. Paul, The Northwestern Jobbers' Credit Bureau. W. A. Marlin, Mgr., 241 Endicott Bldg.  
 MISSOURI, Kansas City, A. E. Adam, Mgr., 303-7 New England Bldg.; E. H. Lothian, Chairman, care Radenour-Baker Grocer Co.  
 MISSOURI, St. Louis, G. F. Bentrup, Mgr., 510 Locust St., G. H. Fox, Chairman, care Goddard Grocer Co.  
 MONTANA, Billings, H. C. Stringham, Mgr., 306 Hart-Albin Block.  
 MONTANA, Great Falls, Northern Montana Association of Credit Men, E. R. Leonard, Mgr., 216 Ford Bldg. W. M. Fergus, Chairman, care Ryan Mercantile Co.  
 MONTANA, Livingston, Gallatin Park Association of Credit Men, F. J. Habel, Mgr., 15 First State Bank Bldg.  
 NEBRASKA, Lincoln—Same as Omaha. G. L. Richmond, Chairman, care J. C. Ridenour Co.

\* Not controlled by but affiliated with San Francisco Association of Credit Men.

NEBRASKA, Omaha, A. E. Royce, Mgr., 420 Peters Trust Bldg.  
 NEW JERSEY, Newark, North Jersey Association of Credit Men, George A. Kuhn, Mgr., 287 Washington St. W. Van H. Eserman, Chairman, care General Leather Co.  
 NEW YORK, Buffalo, W. B. Grandison, Mgr., 1001 Mutual Life Bldg. Emil Wohler, Chairman, c/o Harvey Seed Co.  
 NORTH CAROLINA, Wilmington, The Eastern Carolina Credit Bureau, Inc., Harless Newman, Mgr., 806 Murchison Bldg.  
 OHIO, Cincinnati, R. M. Byland, Secretary, Citizens National Bank Bldg. J. C. Herbert, Chairman, care Bischof, Sterne & Stein Co.  
 OHIO, Cleveland, T. C. Keller, Commissioner, 318 Engineers' Bldg. J. B. Davis, Chairman, care The Ohio Body & Blower Company.  
 OHIO, Columbus, B. G. Watson, Mgr., 411 The New First National Bank Bldg.  
 OHIO, Toledo, F. A. Brown, Mgr., 723 Nicholas Bldg.  
 OHIO, Youngstown, W. C. McKain, Mgr., 1105 Mahoning National Bank Bldg.  
 OKLAHOMA, Oklahoma City, Eugene Miller, Mgr., 203 Magnolia Petroleum Bldg. Carl F. Wiedemann, Chairman, care Collins-Diets-Morris Co.  
 OKLAHOMA, Tulsa, W. A. Rayson, Mgr., Municipal Bldg. L. L. Maxey, Chairman, care Campbell Baking Co.  
 OREGON, Portland, O. A. Coté, Mgr., 641 Pittcock Bldg. O. Middleton, Chairman, care Blake McFall Co.  
 PENNSYLVANIA, Allentown, Lehigh Valley Association of Credit Men, J. H. J. Reinhard, Mgr., Hunsicker Bldg.  
 PENNSYLVANIA, New Castle, Roy M. Jamison, Mgr., 332 Safe Deposit & Trust Co. Bldg. Rudolph Stadelhofer, Chairman, care Armour & Co.  
 PENNSYLVANIA, Philadelphia, David A. Longacre, Mgr., Room 801, 1011 Chestnut St. Harry Deitsch, Chairman, care Otto Eisenlohr & Bros.  
 PENNSYLVANIA, Pittsburgh, A. C. Ellis, Mgr., 1213 Chamber of Commerce Bldg. F. M. Welkal, Chairman, care A. J. Logan & Co.  
 RHODE ISLAND, Providence, Mgr., J. Benjamin Nevin, Commissioner, 87 Weybosset St., Room 32A. J. R. Orpen, Providence Ice Co.  
 TENNESSEE, Chattanooga, J. H. McCallum, Mgr., Hamilton National Bank Bldg. W. G. MacDonald, Chairman, care United Hosiery Mills.  
 TENNESSEE, Knoxville, H. M. Barnett, Mgr., 620 Holston National Bank Bldg. W. M. Bonham, Chairman, care C. M. McClung & Co.  
 TENNESSEE, Nashville, Chas. H. Warwick, Mgr., 803 Stahlman Bldg. Green Benton, Chairman, care J. S. Reeves & Co.  
 TEXAS, El Paso, T. E. Blanchard, Mgr., 622-3 Caples Bldg.  
 TEXAS, Houston, Houston Association of Credit Men, Inc., Charles DeSola, Mgr., 315-316 First National Bank Bldg. Fred Autry, Chairman, Diesel-Boettcher & Co.  
 TEXAS, San Antonio, Henry A. Hirschberg, Mgr., Chamber of Commerce. Jake Wolf, Chairman, care J. Oppenheimer & Co.  
 UTAH, Salt Lake City, Inter-Mountain Association of Credit Men, Walter Wright, Mgr., 1411 Walker Bank Bldg. Robert Peel, Chairman, care Symms-Utah Grocer Co.  
 VIRGINIA, Lynchburg, Mrs. M. A. Blair, Asst. Mgr., 405 Lynch Bldg.  
 VIRGINIA, Norfolk, Shelton N. Woodard, Mgr., 1700 Granby St. D. Frank Gill, Chairman, care Jas. G. Gill Co.  
 VIRGINIA, Richmond, Jo Lane Stern, Mgr., 905 Travelers Insurance Bldg. H. S. Blinswanger, Chairman, care Blinswanger & Co.  
 WASHINGTON, Seattle, Seattle Merchants' Association, J. L. Baldwin, Secy.-Treas., Poison Bldg.  
 WASHINGTON, Spokane, Spokane Merchants Association, J. D. Meikle, Mgr., 718 Realty Bldg.  
 WASHINGTON, Tacoma, Wholesalers' Association of Tacoma, W. W. Keyes, Attorney and Mgr., 802 Tacoma Bldg.  
 WEST VIRGINIA, Clarkburg, Central W. Va. Credit and Adjustment Bureau, U. R. Hoffman, Mgr., 410 Union Bank Bldg. S. L. White, Chairman, care Clarkburg Drug Co.  
 WEST VIRGINIA, Huntington, Tri-State Cred. and Adjustment Bureau, Inc., E. V. Townsend, Mgr., 105 First National Bank Bldg. C. B. W. Neal, Chairman, care J. M. McCroach & Co.  
 WEST VIRGINIA, Wheeling, Alvin Winters, Mgr., 81 McLain Bldg.  
 WISCONSIN, Green Bay, Chris. B. Dockry, Kellogg National Bank Bldg., John Rose, Chairman, care Kellogg National Bank.  
 WISCONSIN, Milwaukee, J. H. Marshuta, 1115 Wells Bldg., J. G. Rinsinger, Chairman, care Rauser, Leavens & Kinsinger.  
 WISCONSIN, Oshkosh, Chas. D. Breon, Mgr., Rooms 21 and 22, 76 Main St. D. E. Brown, care Gould Manufacturing Co.

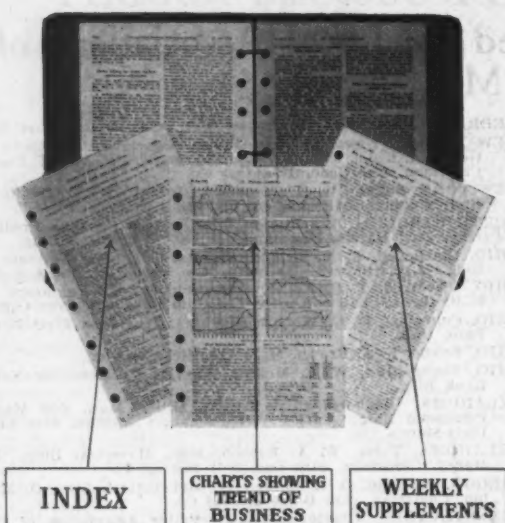
### Financing Small Borrowers

Rochester.—Arthur J. Morris, founder of the Morris System, declared at a recent meeting of the Rochester association, that the Morris Plan banks are an antidote for Socialism and Bolshevism. These banks, he said, have for their purpose the financing of the masses, who have as great a right to credit as the classes. Since their founding ten years ago, Morris Plan banks, he stated, had loaned \$246,000,000 to 1,280,000 persons at an average loss of

less than one-tenth of one per cent. These banks are conducted on sound business principles, having made \$6,000,000 since the beginning and a profit of \$1,350,000 in 1920. The industrial banks advance credit on the basis of character and earning power, he said, and have taught valuable lessons in finance and credit to the masses of the people, and have shown that lending money to the people on the security of character and earning power is as safe, as just and as profitable as lending money or extending credit on the old time banking

principles. The masses of the people in this country are honest and once given access to the opportunity of credit, will, under proper guidance and limitations, use it in the most constructive manner, either to improve production, or to remedy those evils of human society which cause production to suffer.

Another speaker, Joseph W. Simon, whose subject was the "Mercantile Agency Report," made suggestions for bringing about a better understanding between the agency and its subscribers.



## "A Time for Study"

This is the gist of the recommendations made by the Committee on Credit Education and Management at the 26th Annual Convention.

### Are you following its recommendations?

The practice of other credit men in constructive credit granting and their methods of keeping up collection can be of tremendous value to you. The most comprehensive source of such information is the

## PRENTICE-HALL CREDITS AND COLLECTIONS SERVICE

### What the Service Does For You—

The Service reviews more than 800 business magazines, trade journals, and house organs and digests for you all the worth-while articles on every phase of credits and collections. You receive these digests each week in convenient, loose-leaf form. In fifteen minutes you are thoroughly posted on the latest developments and new methods originated in credit work. These sheets are filed in your binders, where they are permanently preserved and are instantly accessible.

### Successful Collection Methods

#### For Your Adoption—

Knowing the plans and methods that have been employed successfully by other credit men, you can adopt those that will help you. Another concern's method of increasing sales by a more extensive use of trade acceptances or the use of a novel appeal to stimulate prompt remittances, may be just what you are looking for. Sometimes a plan will suggest a modification which will more exactly suit your needs. But always this store of tested ideas and methods will enable you to get better results and to increase your usefulness.

### Comprehensive Information

#### Regarding Business Conditions—

A thorough knowledge of current business conditions and an accurate estimate of their future trend is essential to the successful credit manager. The Service contains a section devoted to business conditions. This section is prepared under the personal direction of Dr. Charles W. Gerstenberg, Head of the Finance Department at New York University, and author of several standard books on business organization and finance. First of all there

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(Member, Audit Bureau of Circulations)

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William Walker Orr, Editor

Rodman Gilder, Managing Editor

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# Editorial Comment

## Each Man's Part in the International Conference

**T**HE CREDIT MONTHLY would direct the minds of its readers to the great International Conference called by President Harding for Armistice Day. The responsibility for the success of the conference is not to be borne alone by those men whom the various participating countries appoint. Hope of success lies in their knowing that they enter the conference assured that the world wants more than anything else to know that war and the threat of war, as a method of determining international problems and relationships, shall cease and co-operation guided by godly statesmanship shall dominate and control.

Let the people of the world but focus their thoughts and aspirations on this happy conclusion and the conference cannot fail.

## The Meaning to Commerce

**I**T is not sordidness that suggests what co-operation and goodwill among the nations of the world will mean for commerce. Commerce languishes today because faith as between nations has been torn from its mooring. The Great War has suggested the possibility of other wars such as men have for years not thought possible. What could act to suppress commerce so surely as this possibility? Credit,—that great foster-parent of profitable trade,—cannot thrive where men are doubtful as to vital events.

The prayer for peace should, then, be on every man's lips. Peace cannot be said to have come when preparation for new wars is the main concern of governments, and when the people are being drained of those resources which should be used to provide human needs and to promote human comforts the world over.

There must come from the International Conference of November 11 a happy blending of the national spirit with the international. If the spirit of the people hovers over that great tribunal, problems which now seem to all so troublous and perplexing will be the easier solved.

The conference will not fail. From this old planet will rise no more the hateful, boastful songs of battle, but the songs of a just and happy peace.

## Taxation and Refunding

**T**HE financial necessities of the Government in the next two years are tremendous. Among them are the great war obligations now in the form of Victory notes and war-saving stamps about due for payment. They can be liquidated by the levy of enormous taxes or postponed by the process of refunding. Whether it be by taxation or refunding, the source from which the moneys must come is the same—the people, who must provide through tax payments or provide through bond or note purchases.

If there is any advantage in one method over the other in meeting the requirements of the government, what is that advantage?

All are ready for a large tax. That is recognized as unavoidable. From \$3,500,000,000 to \$4,000,000,000 has been frequently suggested as a figure to work for. Such sum would not enable the Government to meet all these war contracted obligations as they came due. The balance would have to be refunded. Would that be wise? We believe it would, because it would mean on the one hand that the items of the Government budget would be cut and pared vigorously to harmonize with the reduced tax levy, and on the other hand the mind of the industry would be relieved to some extent from the harassments and vexations of excessive taxation. Furthermore, there would not be forced out of industry itself large payments, to the Government, which might better be made from purely investment sources, in order that our industries should be able to accumulate the faster for their own development.

Governments must give industry every possible chance to gain its feet in these years immediately following the war. High taxes tend to restrain and irritate industry. Until we are back to better conditions, therefore, resort should be taken by governments for meeting a part of the earlier war maturities in a reasonable refunding process. The result would be an easier and quicker escape from the present process. The result would be an easier and quicker escape from the present economic slump, with the natural sequence that there would be increased ability to provide for tax levies in later years.

## Where Does the Credit Man Belong?

**W**ITH which department does the credit man have the closer alliance, the treasury or the selling department of his house?

In most concerns, the credit department is closely identified with the treasurer's office. Frequently the treasurer or assistant treasurer is the credit man.

There is nothing illogical about this plan of organization. Clearly a credit is not complete until it has been wiped out by payment. The credit man's skill and value to his house is largely measured by the clean condition of his outstanding accounts. If he does his part well the amount of working capital involved in carrying his open accounts is held well in hand. He should be able to measure fairly accurately the receipts which may be looked for to meet obligations during a given period.

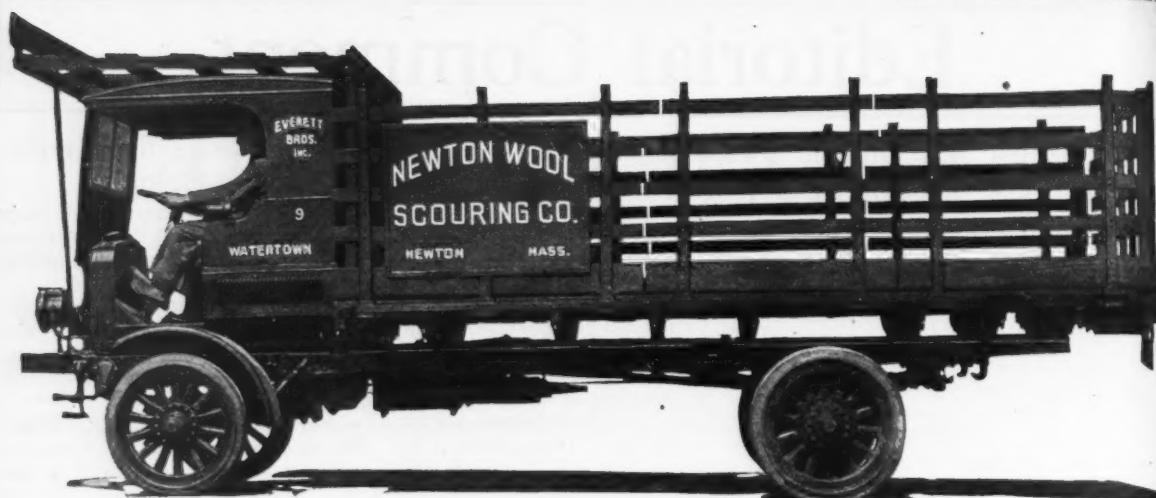
In this kind of work the credit department functions under and for the treasury department. But there is the other side of its activities.

To the treasurer an account is just an account. If it is closed as simply as it was opened, the treasurer's interest is satisfied. But the credit man goes further. To him the human characteristics are vitally important.

The credit man is just as much interested in these human facts as is the sales department, whose very stock in trade is to know all about the customers of the house. The credit man, however, must know customers even more thoroughly than the sales department, which must know how to present the merchandise of the house in the way most acceptable to the customer. The credit man must know on what terms or to what extent a customer can be sold, which may call for an analysis of the customer's case more far reaching than the salesman ever made.

What type of man, therefore, must the credit man be? He must have the treasurer's point of view—conservative, watchful of accounts, alert against losses; but he must also be constructive, a builder of customers, every bit as keen in watching the growth of the sales and the enlargement of the customer list as is the selling department.

The credit position calls for big men. They will have to be even bigger to meet the various difficult problems of the coming business cycle.



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